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PROVIDING UNIFORMITY IN OVERSEA
DIFFERENTIALS AND ROTATION OF CIVILIAN
EMPLOYEES IN OVERSEA POSTS



HEARING
BEFORE THE
SUBCOMMITTEE ON CIVIL SERVICE
OF THE
COMMITTEE ON
POST OFFICE AND CIVIL SERVICE
UNITED STATES SENATE

EIGHTY-SIXTH CONGRESS

SECOND SESSION

ON

H.R. 7758

AN ACT TO IMPROVE THE ADMINISTRATION OF OVERSEAS
ACTIVITIES OF THE GOVERNMENT OF THE UNITED STATES,
AND FOR OTHER PURPOSES

AND

H.R. 10695

AN ACT TO PROVIDE FOR THE ROTATION IN OVERSEAS
ASSIGNMENTS OF CIVILIAN EMPLOYEES UNDER THE DE-
FENSE ESTABLISHMENT HAVING CAREER-CONDITIONAL
AND CAREER APPOINTMENTS IN THE COMPETITIVE CIVIL
SERVICE, AND FOR OTHER PURPOSES

JUNE 2, 1960

Printed for the use of the Committee on Post Office and Civil Service

UNITED STATES
GOVERNMENT PRINTING OFFICE

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PROVIDING UNIFORMITY IN OVERSEA DIFFERENTIALS AND ROTATION OF CIVILIAN EMPLOYEES IN OVERSEA POSTS

THURSDAY, JUNE 2, 1960

U.S. SENATE,
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
SUBCOMMITTEE ON CIVIL SERVICE,
Washington, D.C.

The subcommittee was called to order at 2:15 p.m., in room 6202, New Senate Office Building, the Honorable Ralph Yarborough (chairman of the subcommittee) presiding.

Present: Senators Yarborough and Fong.

Also present: H. W. Brawley, executive director; Frank A. Paschal, minority counsel; and Richard G. Fuller, professional staff member.

Senator YARBOROUGH. The Civil Service Subcommittee will come to order.

The Civil Service Subcommittee is meeting this afternoon to hear testimony on two bills recommended by the administration to provide improved conditions of employment for Federal employees serving overseas. We are considering both of those bills at this one hearing—H.R. 7758 and H.R. 10695—in order to conserve the time of our witnesses and the members of the subcommittee, and because these bills are closely related.

H.R. 7758 is designed to improve and strengthen Government overseas activities by establishing a uniform system for compensating all Federal employees in overseas posts. The bill attempts to provide uniformity of treatment for all overseas employees to the extent justified by relative employment conditions.

H.R. 10695 would improve the administration of the Defense Department's overseas activities by establishing a statutory means by which civilian personnel would be rotated between overseas positions and positions in the United States.

(H.R. 7758 and H.R. 10695 follow:)

[H.R. 7758, 86th Cong., 1st sess.]

AN ACT To improve the administration of overseas activities of the Government of the United States, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Overseas Differentials and Allowances Act".

TITLE I—PURPOSE AND DEFINITIONS

PART A—PURPOSE

SEC. 101. The Congress hereby declares that is the purpose of this Act to improve and strengthen the administration of overseas activities of the Government by—

(1) providing a means for more effectively compensating Government employees for the extra costs and hardships incident to their assignments overseas,

(2) providing for the uniform treatment of Government employees stationed overseas to the extent justified by relative conditions of employment,

(3) establishing the basis for the more efficient and equitable administration of the laws compensating Government employees for the extra costs and hardships incident to their assignments overseas, and

(4) facilitating for the Government the recruitment and retention of the best qualified personnel for civilian service overseas.

PART B—DEFINITIONS

SEC. 111. As used in this title, title II, and section 522 of title V, the term—

(1) "Government" means the Government of the United States of America;

(2) "Government agency" means (A) each executive department of the Government, (B) each independent establishment or agency in the executive branch of the Government, including each corporation wholly owned (either directly or through one or more corporations) by the Government, (C) the General Accounting Office, and (D) the Library of Congress;

(3) "Employee" means an individual employed in the civilian service of a Government agency and more specifically defined in regulations prescribed by the President, but including ambassadors, ministers, and officers of the Foreign Service of the United States under the Department of State;

(4) "United States", when used in a geographical sense, means the several States of the United States of America and the District of Columbia;

(5) "Continental United States" means the several States of the United States of America, excluding Alaska and Hawaii but including the District of Columbia; and

(6) "Foreign area" means any area (including the Trust Territory of the Pacific Islands) situated outside the United States, the Commonwealth of Puerto Rico, the Canal Zone, and the possessions of the United States.

TITLE II—ALLOWANCES AND DIFFERENTIALS IN FOREIGN AREAS

PART A—GENERAL PROVISIONS

SEC. 201. Notwithstanding section 1765 of the Revised Statutes (5 U.S.C. 70), the allowances and differentials provided by this title are authorized for and may be granted only to an employee officially stationed in a foreign area unless otherwise provided in this title—

(1) who is a citizen of the United States, and

(2) whose rate of basic compensation is fixed by statute or, without taking into consideration the allowance and differentials provided by this title, is fixed by administrative action pursuant to law or is fixed administratively in conformity with rates paid by the Government for work of a comparable level of difficulty and responsibility in the continental United States,

except that such allowances and differentials may be paid to an employee officially stationed in a foreign area who is not a citizen of the United States to the extent that the payment of such allowances and differentials to such non-citizen employee is authorized by any provision of law other than this title.

SEC. 202. Allowances granted under this title may be paid in advance, or advance of funds may be made therefor, through the proper disbursing officer in such sums as may be deemed advisable in consideration of the need and the period of time during which expenditures must be made in advance by the employee or employees. Any advance of funds not subsequently covered by allowances accrued to the employee or employees under this title shall be recoverable by the Government by setoff against accrued salary, pay, compensation, amount of retirement credit, or other amount due from the Government to such employee or employees and by such other method as may be provided by law for the recovery of amounts owing to the Government.

SEC. 203. The allowances and differentials authorized by this title shall be paid in accordance with regulations prescribed by the President establishing rules governing payments thereof and the respective rates at which such pay-

ments shall be made, the foreign areas, the groups of positions, and the categories of employees to which such rates shall apply, and other related matters.

PART B—QUARTERS ALLOWANCES

SEC. 211. Whenever Government-owned or Government-rented quarters are not provided without charge for an employee in a foreign area, one or more of the following quarters allowances may be granted to such employee where applicable:

(1) A temporary lodging allowance for the reasonable cost of temporary quarters incurred by the employee and his family (A) for a period not in excess of three months after first arrival at a new post of assignment in a foreign area or a period ending with the occupation of residence quarters, whichever shall be shorter, and (B) for a period of not more than one month immediately preceding final departure from the post subsequent to the necessary evacuation of residence quarters;

(2) A living quarters allowance for rent, heat, light, fuel, gas, electricity, and water, without regard to the limitations of section 3648 of the Revised Statutes, as amended (31 U.S.C. 529); and

(3) Under unusual circumstances payment or reimbursement for extraordinary, necessary, and reasonable expenses, not otherwise compensated for, incurred in initial repairs, alterations, and improvements to an employee's privately leased residence at a post of assignment in a foreign area, if such expenses are administratively approved in advance and if the duration and terms of the lease justify payment of such expenses by the Government.

PART C—COST-OF-LIVING ALLOWANCES

SEC. 221. The following cost-of-living allowances may be granted, where applicable, to an employee in a foreign area:

(1) A post allowance to offset the difference between the cost of living at the post of assignment of the employee in a foreign area and the cost of living in Washington, District of Columbia;

(2) A transfer allowance for extraordinary, necessary, and reasonable expenses, not otherwise compensated for, incurred by an employee incident to establishing himself at any post of assignment in a foreign area or at a post of assignment in the United States between assignments to posts in foreign areas;

(3) A separate maintenance allowance to assist an employee who is compelled, by reason of dangerous, notably unhealthful, or excessively adverse living conditions at his post of assignment in a foreign area or for the convenience of the Government, to meet the additional expense of maintaining, elsewhere than at such post, his wife or his dependents, or both;

(4) An education allowance or payment of transportation costs to assist an employee with the extraordinary and necessary expenses, not otherwise compensated for, incurred by reason of his service in any foreign area or foreign areas in providing adequate education for his dependents, as follows:

(A) An allowance not to exceed the cost of obtaining such elementary and secondary educational services as are ordinarily provided without charge by the public schools in the United States, plus, in those cases where adequate schools are not available at the employee's post, board and room, and periodic transportation between such post and the nearest locality, where adequate schools are available, without regard to the limitations of section 3648 of the Revised Statutes, as amended (31 U.S.C. 529); but the amount of the allowance granted shall be determined on the basis of the educational facility used;

(B) The cost of transporting dependents of an employee to and from a school in the United States to obtain an American secondary or undergraduate college education, not to exceed one trip each way for each dependent for the purpose of obtaining each type of education; but no allowance payments under subparagraph (A) of this paragraph (4) shall be made for any dependent during the twelve months following his arrival in the United States for secondary education pursuant to authority contained in this subparagraph (B). Notwithstanding section 111(6) of this Act, transportation, for the purpose of obtaining undergraduate college education, may be authorized under this subparagraph (B), under such regulations as the President may prescribe, for dependents of employees who are citizens of the United States stationed in the Canal Zone.

PART D—POST DIFFERENTIAL

SEC. 231. A post differential may be granted on the basis of conditions of environment which differ substantially from conditions of environment in the continental United States and warrant additional compensation as a recruitment and retention incentive. Such differential also may be granted to any employee who is officially stationed in the United States and who is on extended detail in a foreign area. Additional compensation paid as a post differential shall not in any instance exceed 25 per centum of the rate of basic compensation.

TITLE III—MISCELLANEOUS EXPENSES

PART A—STORAGE

SEC. 301. (a) Paragraphs (4) and (5) of section 911 of the Foreign Service Act of 1946 (22 U.S.C. 1136 (4) and (5)) are amended to read as follows:

"(4) the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Service, when he is absent from his post of assignment under orders, or when he is assigned to a post to which he cannot take or at which he is unable to use such furniture and household and personal effects, or when it is in the public interest or more economical to authorize storage; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law;

"(5) the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Service in connection with assignment or transfer to a new post, from the date of his departure from his last post or from the date of his departure from his place of residence in the case of a new officer or employee and for not to exceed three months after arrival at the new post, or until the establishment of residence quarters, whichever shall be shorter; and, in connection with separation of an officer or employee of the Service, the cost of packing and unpacking, transporting to and from a place of storage, and storing for a period not to exceed three months, his furniture and household and personal effects; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law."

(b) Paragraphs (1) (D) and (E) of section 4 of the Central Intelligence Agency Act of 1949 (63 Stat. 209, 72 Stat. 337; 50 U.S.C. 403e(a) (1) (D) and (E)) are amended to read as follows:

"(D) pay the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Agency, when he is absent from his post of assignment under orders, or when he is assigned to a post to which he cannot take or at which he is unable to use such furniture and household and personal effects, or when it is in the public interest or more economical to authorize storage; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law;

"(E) pay the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Agency in connection with assignment or transfer to a new post, from the date of his departure from his last post or from the date of his departure from his place of residence in the case of a new officer or employee and for not to exceed three months after arrival at the new post, or until the establishment of residence quarters, whichever shall be shorter; and in connection with separation of an officer or employee of the Agency, the cost of packing and unpacking, transporting to and from a place of storage, and storing for a period not to exceed three months, his furniture and household and personal effects; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law."

(c) The first section of the Administrative Expenses Act of 1946 (60 Stat. 806), as amended (5 U.S.C. 73b-1), is amended—

(1) by striking out “(not to exceed seven thousand pounds if uncrated or eight thousand seven hundred and fifty pounds if crated or the equivalent thereof when transportation charges are based on cubic measurement)” in subsection (a) of such section and inserting in lieu thereof “(not to exceed seven thousand pounds net weight)”; and

(2) by adding at the end of such section the following new subsection:

“(e) Whenever any civilian officer or employee (including any new appointee in accordance with section 7 of this Act) is assigned to a permanent duty station outside the continental United States to which he cannot take or at which he is unable to use his household goods and personal effects or whenever the head of the department concerned authorizes storage of any such property in the public interest or for reasons of economy, storage expenses (including related transportation and other expenses) may be allowed such officer or employee in accordance with regulations prescribed by the President; but in no instance shall the weight of the property stored under this subsection, together with the weight of property transported under subsection (a), exceed the maximum weight limitation provided by subsection (a).”

(d) The term “furniture and household and personal effects”, as used in the amendments made by this part to the Foreign Service Act of 1946, as amended, and the Central Intelligence Agency Act of 1949, as amended, and the term “household goods and personal effects”, as used in the amendments made by this part to the Administrative Expenses Act of 1946, as amended, mean such personal property of an employee and the dependents of such employee as the Secretary of State and the Director of Central Intelligence, as the case may be, with respect to the term “furniture and household and personal effects”, and the President, with respect to the term “household goods and personal effects”, shall by regulation authorize to be transported or stored under the amendments made by this part to such Acts (including, in emergencies, motor vehicles authorized to be shipped at Government expense). Such motor vehicle shall be excluded from the weight and volume limitations prescribed by the laws set forth in this part.

PART B—OFFICIAL RESIDENCE EXPENSES

SEC. 311. (a) The Administrative Expenses Act of 1946 (60 Stat. 806), as amended, is amended by adding at the end thereof the following new section:

“SEC. 22. Under such regulations as the President may prescribe, funds available to the departments for administrative expenses may be allotted to posts in foreign countries for the purpose of defraying the unusual expenses incident to the operation and maintenance of official residences suitable for the chief representatives of the United States at such posts and such other senior officials of this Government in foreign countries as the President may designate.”

(b) Section 8 of the United Nations Participation Act of 1945, as amended (22 U.S.C. 287e), is amended by striking out “and the allotment of funds, similar to the allotment authorized by section 902 of the Foreign Service Act of 1946, for unusual expenses incident to the operation and maintenance of such living quarters, to be accounted for in accordance with section 903 of said Act;” and inserting in lieu thereof “and unusual expenses similar to those authorized by section 22 of the Administrative Expenses Act of 1946, as amended by section 311 of the Overseas Differentials and Allowances Act, incident to the operation and maintenance of such living quarters;”.

PART C—TRANSPORTATION OF MOTOR VEHICLES

SEC. 321. The first section of the Administrative Expenses Act of 1946 (60 Stat. 806), as amended (5 U.S.C. 73b-1), is amended by adding thereto, immediately following the new subsection (e) added to such first section by section 301 (c) of this Act, the following new subsection:

“(f) Under such regulations as the President may prescribe, the privately owned motor vehicle of any employee (including any new appointee, in accordance with section 7 of this Act) assigned to a post of duty outside the continental United States on other than temporary duty orders may be transported to, from, and between the continental United States and such post of duty, or between posts of duty outside the continental United States, whenever it is

determined by the head of the department concerned to be in the interest of the Government for such employee to have the use of a motor vehicle at his post of duty. Not more than one motor vehicle of any employee may be transported under authority of this subsection during any four-year period, except that, as a replacement for such motor vehicle, one additional motor vehicle of any employee may be so transported during such period upon approval, in advance, by the head of the department concerned and upon a determination, in advance, by such department head that such replacement is necessary for reasons beyond the control of the employee and is in the interest of the Government. After the expiration of a period of four years following the date of transportation under authority of this subsection of a privately owned motor vehicle of any employee who has remained in continuous service outside the continental United States during such period, the transportation of a replacement for such motor vehicle for such employee may be authorized, in accordance with this subsection, by the head of the department concerned. The head of each department may, in accordance with this subsection, authorize the transportation of privately owned motor vehicles of employees of such department, assigned to duty outside the continental United States, by commercial means if available at reasonable rates and under reasonable conditions or by Government means on a space-available basis. This subsection shall not apply to the Foreign Service of the United States under the Department of State and to the Central Intelligence Agency but shall not affect the authority contained in section 913 of the Foreign Service Act of 1946 (60 Stat. 1027; 22 U.S.C. 1138) or paragraph (4) of section 4 of the Central Intelligence Agency Act of 1949 (63 Stat. 210, 72 Stat. 337; 50 U.S.C. 403e(a)(4))."

SEC. 322. Section 913 of the Foreign Service Act of 1946 (60 Stat. 1027; 22 U.S.C. 1138) is amended to read as follows:

"TRANSPORTATION OF MOTOR VEHICLES

"SEC. 913. The Secretary may, notwithstanding the provisions of any other law, transport for or on behalf of an officer or employee of the Service, a privately owned motor vehicle in any case in which he shall determine that water, rail, or air transportation of the motor vehicle is necessary or expedient for all or any part of the distance between points of origin and destination. Not more than one motor vehicle of any such officer or employee may be transported under authority of this section during any four-year period, except that, as a replacement for such motor vehicle, one additional motor vehicle of any such officer or employee may be so transported during such period upon approval, in advance, by the Secretary and upon a determination, in advance, by the Secretary that such replacement is necessary for reasons beyond the control of the officer or employee and is in the interest of the Government. After the expiration of a period of four years following the date of transportation under authority of this section of a privately owned motor vehicle of any officer or employee who has remained in continuous service outside the continental United States (excluding Alaska and Hawaii) during such period, the transportation of a replacement for such motor vehicle for such officer or employee may be authorized by the Secretary in accordance with this section."

SEC. 323. (a) That part of section 4(a) of the Central Intelligence Agency Act of 1949, as amended (63 Stat. 209, 73 Stat. 337; 50 U.S.C. 403e), which precedes paragraph (1) thereof, is amended—

(1) by striking out "(a)"; and

(2) by striking out "permanent-duty stations outside the continental United States, its territories, and possessions," and inserting in lieu thereof "duty stations outside the several States of the United States of America, excluding Alaska and Hawaii, but including the District of Columbia,".

(b) Paragraph (4) of section 4 of the Central Intelligence Agency Act of 1949, as amended (63 Stat. 210, 73 Stat. 337; 50 U.S.C. 403e(a)(4)), is amended to read as follows:

"(4) Notwithstanding the provisions of any other law, transport for or on behalf of an officer or employee of the Agency, a privately owned motor vehicle in any case in which it shall be determined that water, rail, or air transportation of the motor vehicle is necessary or expedient for all or any part of the distance between points of origin and destination, and pay the costs of such transportation. Not more than one motor vehicle of any officer or employee of the Agency may be transported under authority of this paragraph during any four-year period, except that, as a replacement

for such motor vehicle, one additional motor vehicle of any such officer or employee may be so transported during such period upon approval, in advance, by the Director and upon a determination, in advance, by the Director that such replacement is necessary for reasons beyond the control of the officer or employee and is in the interest of the Government. After the expiration of a period of four years following the date of transportation under authority of this paragraph of a privately owned motor vehicle of any officer or employee who has remained in continuous service outside the several States of the United States of America, excluding Alaska and Hawaii, but including the District of Columbia, during such period, the transportation of a replacement for such motor vehicle for such officer or employee may be authorized by the Director in accordance with this paragraph."

TITLE IV—AMENDMENTS TO ANNUAL AND SICK LEAVE ACT OF 1951

SEC. 401. Subsections (d), (e), and (f) of section 203 of the Annual and Sick Leave Act of 1951, as amended (5 U.S.C. 2062 (d), (e), and (f)), are amended to read as follows:

"(d) Notwithstanding the provisions of subsection (c), a maximum accumulation not to exceed forty-five days at the beginning of the first complete bi-weekly pay period, or corresponding pay period in the case of an officer or employee who is not paid on the basis of biweekly pay periods, in any year is authorized for the following categories of employees of the Federal Government stationed outside the United States:

"(1) Persons directly recruited or transferred by the Federal Government (A) from the United States, or (B) from the Commonwealth of Puerto Rico or the possessions of the United States for employment outside the area of recruitment or from which transferred.

"(2) Persons employed locally but (A)(i) who were originally recruited from the United States, or from the Commonwealth of Puerto Rico or the possessions of the United States but outside the area of employment, (ii) who have been in substantially continuous employment by other Federal agencies, United States firms, interests or organizations, international organizations in which the United States Government participates, or foreign governments, and (iii) whose conditions of employment provide for their return transportation to the United States or the Commonwealth of Puerto Rico or the possessions of the United States, or (B)(i) who were at the time of employment temporarily absent, for the purpose of travel or formal study, from the United States, or from their respective places of residence in the Commonwealth of Puerto Rico or the possessions of the United States and (ii) who, during such temporary absence, have maintained residence in the United States or in the Commonwealth of Puerto Rico or the possessions of the United States but outside the area of employment.

"(3) Persons who are not normally residents of the area concerned and who are discharged from service in the Armed Forces of the United States to accept employment with an agency of the Federal Government.

"(e) The leave granted pursuant to this title shall be exclusive of the time actually and necessarily occupied in going to and from the post of duty and exclusive of such time as may be necessarily occupied in awaiting transportation, in the case of an officer or employee (1) who is within the purview of subsection (d) of this section, (2) whose post of duty is outside the United States, and (3) who returns on leave to the United States, or to his place of residence, which is outside the area of employment, in the Commonwealth of Puerto Rico or the possessions of the United States. The provisions of this subsection shall not apply to more than one period of leave in a prescribed tour of duty at a post outside the United States.

"(f) Upon completion of twenty-four months of continuous service outside the United States, officers and employees may be granted, in accordance with regulations of the President, leave of absence at a rate not to exceed one week for each four months of such service without regard to any other leave provided by this title, for use in the United States, or, if their respective places of residence are outside the area of employment, in the Commonwealth of Puerto Rico or the possessions of the United States. Such leave so granted may be accumulated for future use without regard to the limitation in subsection (d) of this section but no such leave shall be made the basis for any terminal leave or for any lump-sum payment."

SEC. 402. (a) Section 202(b) (2) of the Annual and Sick Leave Act of 1951, as amended (5 U.S.C. 2061(b) (2)), is amended to read as follows:

"(2) This title, except section 203(g), shall not apply to alien employees who occupy positions outside the United States."

(b) Section 203(g) of such Act, as amended (5 U.S.C. 2062(g)), is amended by striking out "the several States and the District of Columbia" and inserting in lieu thereof "the United States".

(c) Section 202 of such Act, as amended (5 U.S.C. 2061), is amended by adding at the end of such section the following new subsection:

"(d) As used in this title, the term 'United States' means the several States of the United States of America and the District of Columbia."

SEC. 403. The amendments made by this title to the Annual and Sick Leave Act of 1951, as amended, shall take effect on the first day of the first pay period following the date of enactment of this Act.

TITLE V—APPROPRIATION, REPEAL, AMENDATORY, AND MISCELLANEOUS PROVISIONS

PART A—APPROPRIATION PROVISIONS

SEC. 501. (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act and the amendments made by this Act.

(b) Appropriations or funds otherwise available, for the fiscal year ending June 30, 1960, to any department, agency, establishment or corporation of the Government of the United States of America within the purview of this Act or of any amendment made by this Act are hereby made available for the purposes of this Act and of any such amendment in accordance with the authority contained in this Act or contained in any law amended by this Act and in accordance with such regulations as the President may prescribe.

PART B—REPEAL AND AMENDATORY PROVISIONS

SEC. 511. (a) The following provisions of law are hereby repealed:

(1) Sections 443, 901 (1) and (2), 902, 903, and 911 (9) of the Foreign Service Act of 1946, as amended (60 Stat. 1006, 1025, and 1026; 69 Stat. 27; 22 U.S.C. 888, 1131, 1132, 1133, and 1136 (9));

(2) Sections 2(b), 13, and 14 of the Act entitled "An Act to provide certain basic authority for the Department of State", approved August 1, 1956 (70 Stat. 890, 892; Public Law 885, Eighty-fourth Congress; 5 U.S.C. 170g (b), 170r, and 170s); and

(3) Sections 1(d) and 4(b) of the Central Intelligence Agency Act of 1949, as amended (63 Stat. 208 and 211; 50 U.S.C. 403a(d) and 403e(b)).

(b) Any provision of law which is not repealed by subsection (a) of this section but is inconsistent with any provision of this Act or of any amendment made by this Act shall be held and considered to be amended, modified, or superseded to the extent necessary to carry out the purposes of and conform to such provision of this Act or of such amendment.

(c) (1) Section 1(c) of the Central Intelligence Agency Act of 1949 (63 Stat. 208; 50 U.S.C. 403a(c)) is amended by striking out "Government; and" and inserting in lieu thereof "Government."

(2) Paragraph (1) (A) of section 4 of the Central Intelligence Agency Act of 1949, as amended (63 Stat. 209; 72 Stat. 337; 50 U.S.C. 403e(a) (1) (A)), is amended to read as follows:

"(1) (A) pay the travel expenses of officers and employees of the Agency, including expenses incurred while traveling pursuant to authorized home leave;"

(3) Paragraph (3) (A) of section 4 of such Act (63 Stat. 209 and 210; 72 Stat. 337; 50 U.S.C. 403e(a) (3) (A)) is amended to read as follows:

"(3) (A) Order to any of the several States of the United States of America (including the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States) on leave of absence each officer or employee of the Agency who was a resident of the United States (as described above) at time of employment, upon completion of two years' continuous service abroad, or as soon as possible thereafter."

(4) Paragraph (3) (B) of section 4 of such Act (63 Stat. 210; 72 Stat. 337; 50 U.S.C. 403e(a) (3) (B)) is amended to read as follows:

"(B) While in the United States (as described in paragraph (3) (A) of this section) on leave, the service of any officer or employee shall be available for work or duties in the Agency or elsewhere as the Director may prescribe; and the time of such work or duty shall not be counted as leave."

(5) Paragraph (3) (C) of section 4 of such Act (63 Stat. 210; 72 Stat. 337; 50 U.S.C. 403e(a) (3) (C)) is amended to read as follows:

"(C) Where an officer or employee on leave returns to the United States (as described in paragraph (3) (A) of this section), leave of absence granted shall be exclusive of the time actually and necessarily occupied in going to and from the United States (as so described) and such time as may be necessarily occupied in awaiting transportation."

(6) The Act entitled "An Act to provide living quarters, including heat, fuel, and light, for civilian officers and employees of the Government stationed in foreign countries", approved June 26, 1930 (46 Stat. 818; Public Law 445, Seventy-first Congress; 5 U.S.C. 118a), is amended—

(A) by striking out "and, where such quarters are not available, may be granted an allowance for living quarters, including heat, fuel, and light, notwithstanding the provisions of section 1765 of the Revised Statutes (U.S.C., title 5, sec. 70)"; and

(B) by striking out that part of the first proviso of such Act of June 26, 1930, which reads "or allowances in lieu thereof".

PART C—MISCELLANEOUS PROVISIONS

SEC. 521. Whenever reference is made in any other law or in any regulation to any provision of law which is repealed, modified, amended, or superseded by reason of section 511 of this Act, such reference, unless inconsistent with this Act, shall be held and considered to refer to this Act or the appropriate provision of, or amendment made by, this Act.

SEC. 522. Notwithstanding any provision of this Act and until such time as regulations are issued under this Act, employees shall continue to be paid allowances and differentials in accordance with rules and regulations issued pursuant to the laws in effect immediately prior to the enactment of this Act and such rules and regulations may be amended or revoked in accordance with the provisions of such laws.

SEC. 523. (a) Section 912 of the Internal Revenue Code of 1954 (relating to exemption for certain allowances) is amended to read as follows:

"SEC. 912. EXEMPTIONS FOR CERTAIN ALLOWANCES.

"The following items shall not be included in gross income, and shall be exempt from taxation under this subtitle:

"(1) FOREIGN AREAS ALLOWANCES.—In the case of civilian officers and employees of the Government of the United States, amounts received as allowances or otherwise (but not amounts received as post differentials) under—

"(A) title IX of the Foreign Service Act of 1946, as amended (22 U.S.C., sec. 1131 and following),

"(B) section 4 of the Central Intelligence Agency Act of 1949, as amended (50 U.S.C., sec. 403e),

"(C) title II of the Overseas Differentials and Allowances Act, or

"(D) subsection (e) or (f) of the first section of the Administrative Expenses Act of 1946, as amended, or section 22 of such Act.

"(2) COST-OF-LIVING ALLOWANCES.—In the case of civilian officers or employees of the Government of the United States stationed outside the continental United States (other than Alaska), amounts (other than amounts received under title II of the Overseas Differentials and Allowances Act) received as cost-of-living allowances in accordance with regulations approved by the President."

(b) Paragraphs (1) and (2) of section 912 of the Internal Revenue Code of 1954, as amended by subsection (a) of this section, shall apply only with respect to amounts received on or after the date of the enactment of this Act in taxable years ending on or after such date.

Passed the House of Representatives September 8, 1959.

Attest:

RALPH R. ROBERTS,
Clerk.

[H.R. 10695, 86th Cong., 2d sess.]

AN ACT To provide for the rotation in overseas assignments of civilian employees under the Defense Establishment having career-conditional and career appointments in the competitive civil service, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 81 of title 10 of the United States Code is amended by adding at the end thereof the following new section :

“§ 1586. Rotation of career-conditional and career employees assigned to duty outside the United States

“(a) In order to advance the programs and activities of the Defense Establishment, it is hereby declared to be the policy of the Congress to facilitate the interchange of civilian employees of the Defense Establishment between posts of duty in the United States and posts of duty outside the United States through the establishment and operation of programs for the rotation, to the extent consistent with the mission of the Defense Establishment and sound principles of administration, of such employees who are assigned to duty outside the United States.

“(b) Notwithstanding any other provision of law, the Secretary of Defense with respect to civilian employees of the Department of Defense other than employees of a military department, and the Secretary of each military department, with respect to civilian employees of such military department, may, under such regulations as each such Secretary may prescribe with respect to the employees concerned and in accordance with the policy and other provisions of this section, establish and operate programs of rotation which provide for the granting of the right to return to a position in the United States to each civilian employee in the department concerned—

“(1) who, while serving under a career-conditional or career appointment in the competitive civil service, is assigned at the request of the department concerned to duty outside the United States.

“(2) who satisfactorily completes such duty, and

“(3) who applies, not later than thirty days after his completion of such duty, for the right to return to a position in the United States as provided by subsection (c) of this section.

The Secretary of the department concerned may provide by regulation for the waiver of the provisions of paragraphs (2) and (3) of this subsection, or of either of such paragraphs, in those cases in which the application of such paragraphs, or either of them, would be against equity and good conscience or against the public interest.

“(c) The right to return to a position in the United States granted under this section shall be without reduction in the seniority, status, and tenure held by the employee immediately before his assignment to duty outside the United States and the employee shall be placed, not later than thirty days after the date on which he is determined to be immediately available to exercise such right, in accordance with the following provisions:

“(1) The employee shall be placed in the position which he held immediately before his assignment to duty outside the United States, if such position exists.

“(2) If such position does not exist, or with his consent, the employee shall be placed in a vacant existing position, or in a new continuing position, for which he is qualified, available for the purposes of this section in the department concerned, in the same geographical area as, with rights and benefits equal to the rights and benefits of, and in a grade equal to the grade of, the position which he held immediately before his assignment to duty outside the United States.

“(3) If the positions described in paragraph (1) and paragraph (2) of this subsection do not exist, the employee shall be placed in an additional position which shall be established by the department concerned for a period not in excess of ninety days in order to carry out the purposes of this section. Such additional position shall be in the same geographical area as, with rights and benefits not less than the rights and benefits of, and in a grade not lower than the grade of, the position held by the employee immediately before his assignment to duty outside the United States.

“(4) If, within ninety days after his placement in a position under paragraph (3) of this subsection, a vacant existing position or new continuing

position, for which the employee is qualified, is available for the purposes of this section in the department concerned, in the same geographical area as, with rights and benefits equal to the rights and benefits of, and in a grade equal to the grade of, the position which he held immediately before his assignment to duty outside the United States, the employee shall be placed in such vacant existing position or new continuing position.

"(5) If, within the ninety-day period referred to in paragraphs (3) and (4) of this subsection, the employee cannot be placed in a position under such paragraph (4), he shall be reassigned or separated under the regulations prescribed by the United States Civil Service Commission to carry out section 12 of the Act of June 27, 1944 (5 U.S.C. 861).

"(6) If there is a termination of or material change in the activity in which the former position of the employee (referred to in paragraph (1) of this subsection) was located, he shall be placed, in the manner provided by paragraphs (2), (3), and (4), as applicable, of this subsection, in a position in the department concerned in a geographical area other than the geographical area in which such former position was located.

"(d) Each employee who is placed in a position under paragraph (1), (2), (3), (4), or (6) of subsection (c) of this section shall be paid at a rate of basic compensation which is not less than the rate of basic compensation to which he would have been entitled if he had not been assigned to duty outside the United States.

"(e) (1) Each employee who is displaced from a position by reason of the exercise of a return right under subsection (c) (1) of this section shall be placed, as of the date of such displacement, without reduction in seniority, status, and tenure, in a vacant existing position or new continuing position, for which he is qualified, available in the department concerned, in the same geographical area as, with rights and benefits equal to the rights and benefits of, in a grade equal to the grade of, and at a rate of basic compensation not less than the last rate of basic compensation to which he was entitled while in, the position from which he is displaced.

"(2) If the employee cannot be placed in a position under paragraph (1) of this subsection, he shall be reassigned to a position other than the position from which he is displaced, or separated, under the regulations prescribed by the United States Civil Service Commission to carry out section 12 of the Act of June 27, 1944 (5 U.S.C. 861).

"(f) The President may, upon his determination that such action is necessary in the national interest, declare that, for such period as he may specify, an assignment of an employee to duty in Alaska or Hawaii shall be held and considered, for the purposes of this section, to be an assignment to duty outside the United States.

"(g) For the purposes of this section—

"(1) 'rotation' means the assignment of civilian employees referred to in subsection (b) of this section to duty outside the United States and the return of such employees to duty within the United States; and

"(2) 'grade' means, as applicable, a grade of the compensation schedule for the General Schedule of the Classification Act of 1949, as amended, or a grade or level of the appropriate prevailing rate schedule."

SEC. 2. The analysis of chapter 81 of title 10 of the United States Code is amended by adding at the end thereof the following new item:

"1586. Rotation of career-conditional and career employees assigned to duty outside the United States."

Passed the House of Representatives April 19, 1960.

Attest:

RALPH R. ROBERTS,
Clerk.

Senator YARBOROUGH. I appreciate the attendance of our witnesses. You may testify on both bills at one time, any one witness, or restrict your testimony to either one in which you have a particular interest.

Our first witness is the Honorable Roger W. Jones, Chairman of the Civil Service Commission.

Mr. Jones.

STATEMENT OF HON. ROGER W. JONES, CHAIRMAN, CIVIL SERVICE COMMISSION

Mr. JONES. Mr. Chairman, if I may, first I would like to make a short general statement about H.R. 7758. There will be some additional details which will be given by witnesses representing the Department of State and the Department of Defense.

Over a period of years, the executive branch of the Congress has been concerned with the need for improvement in certain conditions affecting U.S. citizens employed overseas. By direction of the Congress, several exhaustive studies of oversea personnel problems have been made, including the report on oversea pay and personnel practices made in 1953 by the chairman of the Senate Post Office and Civil Service Committee, Senator Olin D. Johnson; the report by the Bureau of the Budget and the Civil Service Commission in 1952 prepared for the Post Office and Civil Service Committees of the Senate and House of Representatives pursuant to Public Law 201, 82d Congress; the report of May 1956 by the Committee on Post Office and Civil Service of the House of Representatives on personnel programs and policies of the Federal Government in oversea operations, and others. During the same period several of the executive departments have been conducting studies along the same lines.

Therefore, Mr. Chairman, H.R. 7758, the first of the bills we have here today, represents a considerable amount of investigation and effort on the part of both legislative and executive branch personnel, all in an effort to achieve equity in the treatment of our personnel overseas. It has been studied and discussed extensively in one form or another over the past several years and has had the benefit of repeated review by expert staffs in both the executive and legislative branches of the Government.

The studies and reports that I have mentioned deal at some length with allowances and differentials, home leave, transportation of automobiles, and other subjects under consideration here today, and call attention to various inadequacies in existing policies and especially to differences in treatment accorded employees under different personnel systems. There is general agreement among them that uniformity of treatment is desirable where conditions of service are comparable.

May I say parenthetically at this point that conditions of service in terms of comparability have been increasing quite rapidly almost every year since World War II, so by and large I think that the employees of most of our agencies serving in the same general areas have directly comparable conditions of service.

Senator YARBOROUGH. Is that because of housing conditions improving?

Mr. JONES. Partly housing. There has been more integration and coordination of programs, Senator Yarborough, and there has been more responsiveness to the realization that we couldn't have startling discrepancies in the way in which we handle these people because it created unfavorable working conditions and it was bad for morale.

Senator YARBOROUGH. Where there have been wide variances in currency and currency fluctuations, have you scaled what you paid them or the services which you have furnished so they would be more nearly comparably awarded for service in general areas?

Mr. JONES. In general this is true. There are some differences as a result of the fact that some of the laws are not applicable to all the departments and agencies. The problem of that kind would be very largely corrected by the legislation in front of you.

I would like to add here that H.R. 7758 does not impose uniformity for the sake of uniformity alone, but rather provides for the establishment of policies that are consistent and take into account the differences in conditions of service in the various agencies, personnel systems, and oversea locations.

Significant progress has been made in recent years in the direction of improvement and standardization of some of the benefits applicable to personnel stationed in foreign areas, but certain basic problems still exist as deterrents to the most effective development of the total oversea program on a consistent and equitable basis. Further, more and more agencies have sought independently and have been given authorities similar to those applicable to Foreign Service personnel of the Department of State. The bill before you for consideration today would be a long stride in the direction of removing these remaining inequities and inadequacies, and toward providing the basic authorities needed by the President, the Civil Service Commission, and the departments and agencies in order to develop suitable programs.

First, it is the consensus of the departments and agencies that a single permanent statute, consolidating and making uniform existing authority for the payment of allowances and differentials for civilian employees is highly desirable. The proposed bill would accomplish this. It is based on the principle that the Government should compensate Federal employees serving outside the continental United States for additional expenses associated with such service and for differences in conditions of environment at oversea posts that necessitate additional compensation as a recruitment and retention incentive. The bill would (1) consolidate in one act various provisions of law now found in several separate statutes, in order to provide a single continuing authority, uniform for all agencies, for payment of allowances and differentials in foreign areas, (2) provide a basis for the more efficient and equitable administration of allowances and differentials, and (3) make available to other agencies certain authorities presently available only to agencies authorized to use the Foreign Service Act provisions.

The bill would also provide authority under which the Department of Defense and other agencies not covered by the Foreign Service Act could provide for the shipment of privately owned automobiles of their employees to their posts of assignment outside the continental United States. These employees currently must pay these shipping charges, which are considerable in some cases, out of their own pockets. These same shipping charges are paid for military and personnel covered under present authority of the Foreign Service Act who serve at the same posts. The bill is limiting in its language, so that excessive and unnecessary shipment of automobiles will not be authorized.

The bill will also correct an inequity as between employees covered by the Foreign Service Act and other employees serving overseas by extending the authority now enjoyed by the former to return to the United States and to territories and possessions for periods of home

leave between their oversea tours of duty. Employees of the State Department Foreign Service, the International Cooperative Administration, the U.S. Information Agency, the Veterans' Administration, the Federal Aviation Agency, and certain other employees covered by the Foreign Service Act provisions now enjoy this benefit. Other agencies, such as the Department of Defense, have indicated a need for such leave, on a more limited basis, for their oversea employees under some conditions.

Senator YARBOROUGH. Pardon me. That is a rollcall vote. We will recess for 15 minutes.

(A short recess was taken.)

Senator YARBOROUGH. The committee is in session.

Mr. JONES. I will move back to page 4, Mr. Chairman.

The bill would also provide authority under which the Department of Defense and other agencies not covered by the Foreign Service Act could provide for the shipment of privately owned automobiles of their employees to their posts of assignment outside the continental United States. These employees currently must pay these shipping charges, which are considerable in some cases, out of their own pockets.

These same shipping charges are paid for military and personnel covered under present authority of the Foreign Service Act who serve at the same posts. The bill is limiting in its language, so that excessive and unnecessary shipment of automobiles will not be authorized.

The bill will also correct an inequity as between employees covered by the Foreign Service Act and other employees serving overseas by extending the authority now enjoyed by the former to return to the United States and to territories and possessions for periods of home leave between their oversea tours of duty.

Employees of the State Department Foreign Service, the International Cooperation Administration, the U.S. Information Agency, the Veterans' Administration, the Federal Aviation Agency, and certain other employees covered by the Foreign Service Act provisions now enjoy this benefit. Other agencies, such as the Department of Defense, have indicated a need for such leave, on a more limited basis, for their oversea employees under some conditions. The general feeling is that home leave is necessary to permit employees to obtain proper rest and recuperation in the United States after service at tropical, isolated, or other hardship posts; to permit employees to become reacquainted with American ideas and customs after prolonged exposure to foreign influences, and to permit the employees to take an adequate vacation in their own country, to visit their family and friends, to take care of personal obligations and interests, and numerous other reasons.

In some cases employees are not permitted to take their wives and children to their oversea post of assignment and in such instances home leave is especially important. It is the common practice of industry to grant such leave for this purpose.

Other provisions of this bill, which the departmental representatives will discuss in more detail, are equally important and the need for them is compelling. We believe that the bill would provide for the fair and consistent treatment of employees serving the Govern-

ment overseas irrespective of the agency in which they are employed, would greatly simplify the administration of certain of our oversea programs, and would facilitate recruitment and retention of competent personnel for oversea activities of the Government. We recommend that your committee give H.R. 7758 its favorable consideration.

If I say, Mr. Chairman, I would like to repeat again just the major subjects that the provisions of the bill deal with. The first is the issue of quarters allowance. The next is the cost-of-living allowance. The third is post differentials. The fourth is storage of household goods. The fifth is shipment of household effects. The next is official residence expense. The next is privately owned automobiles. Then the question of leave. And certain exemptions from income tax covering the allowances. And then the general provisions.

This bill, as the committee knows, has been acted on by the House. We believe it is in good shape, that it needs little, if any, amendment. Unless something has come up within the last day or so, I doubt that it needs any amendment. I am not suggesting that.

I would be prepared to speak very briefly on H.R. 10695 unless the committee wishes to question me about H.R. 7758.

Senator YARBOROUGH. Do you have any questions, Senator Fong?

Senator FONG. In this bill are you taking away any benefit that they now have?

Mr. JONES. No.

Senator FONG. I have no further questions.

Senator YARBOROUGH. Chairman Jones, I notice that the House has a rather lengthy report accompanying this, and I think that it will answer some questions and save asking you questions, but I notice on page 5 of the House report in estimating the cost of this, they estimate the cost for the Department of Defense, and they give the number of employees overseas for the different departments, but I don't see any other estimate right there. Do you know what the overall cost of the bill would be per year? That is the first question that will be asked of the committee when it is presented.

Mr. JONES. I regret, Mr. Chairman, I do not have that figure. I do not know whether Mr. Wheeler has that or someone else has that. Mr. Hull of the Department of State has an estimate which he could give either now or when he testifies.

Senator YARBOROUGH. We will wait until he testifies. You will have a complete cost of the bill covering all the departments?

Mr. HULL. Yes, sir.

Senator YARBOROUGH. Mr. Jones, what are the schedules of leave time in the United States for those who have served overseas? I presume that the time of leave granted in oversea stations depends on the amount of time the particular employee has been overseas when he comes back.

Mr. JONES. In general, that is correct, sir, yes.

Senator YARBOROUGH. The Government has a table, I presume, that is, those departments of the Government that already have such a program?

Mr. JONES. Yes.

Senator YARBOROUGH. I take it from your testimony that some departments of the Government now have adequate programs. This is

merely to extend those benefits to the other branches that do not now have them.

Mr. JONES. That is correct, sir.

Senator YARBOROUGH. Do you have a table with you showing what those leave times are?

Mr. JONES. I do not have that. Here again, sir, I think that is covered in the testimony of the Department of Defense. With respect to the other bill, H.R. 10695, this is a matter to which I have given some personal attention, both at the Civil Service Commission and prior to that in the Bureau of the Budget. I have been very much impressed with the need for a rotation bill for a considerable period of years, backed up by some personal observations I have made in trips throughout the Pacific in some of the most difficult of our posts there. I have no formal statement about this bill except to indicate to you that in my judgment, both as a personnel man and as a former budget man for many years, this is one of the most important minor pieces of legislation that has come before the Congress for a long time.

I say minor in the sense that it is not of earth-shaking consequence in terms of overall national impact or international impact, but I think important for three reasons, which I would like to speak to very briefly, if I may, sir.

First, we have failed to face up to the problem of the need for rotation legislation partly as the result of unbelief on the part of Americans that our worldwide responsibilities were going to last as they have. At the end of World War II everyone in this room remembers what happened to our Armed Forces. We wanted to get them home as quickly as possible.

We assumed that our period of world responsibilities was rapidly drawing to a close. Much of the same philosophy has prevailed with respect to our program that we have undertaken since then. We have enacted authorizations for mutual security and for defense assistance on a year to year basis. We have tended to think that next year things were going to be better and perhaps we could liquidate this oversea staff.

Actually this is not true and I am sure we are now agreed, if we have not been in the past, for a good many years to come we are going to have major oversea responsibilities which will take the very best people that we can get to discharge them.

The second piece of almost folklore that has grown up is a most incorrect assumption—and I would say not put in correct perspective by such books as "The Ugly American"—that most of the employees we have overseas are second rate. Nothing could be farther from the truth. I am sure that the Members of the House and the Senate who have had oversea travel in recent years are aware of the generally high caliber of the people we have serving overseas.

When we extended civil service overseas a little over 4 years ago, we tried very hard to take an awfully good look at the people who went into these jobs to make sure that there was no watering down of caliber of people.

However, the fact remains that this impression prevails, and it prevails in part by reason of the fact that some of the best people in Federal service have been extremely reticent to take oversea posts by virtue

of the fact that there could be no guarantee whatsoever that they would be returned to jobs of equal rank, status, and pay when they came back.

In part, this has been our fault in the executive branch, perhaps because we have been unable to find an effective administrative means for building some of these oversea jobs into the base of our employment. In part it has been because of the operations of certain other status. The Veterans' Preference Act, for example, has created some very real problems in this respect. But more particularly I think it has been an outgrowth of the fact that we didn't have a national philosophy of looking upon these jobs as essential and looking upon them as something which a man does as a part of his normal career.

We are taking what steps we can to correct that. The departments are moving quite rapidly to identify those jobs which should be built into their permanent employment base and to identify types of jobs which have direct counterparts in the United States and overseas. The result in the service departments at least has been most encouraging, although it still has some way to go, and there are some things we have to set to rights by statute. But we are doing a far better job now of making it possible for people to rotate than we have been able to do in the past.

This legislation would, I think, round out this picture and give the assurances which we need, particularly in the Department of Defense, that you can say to a man: "If you will accept this position in Japan (or in Korea or in Okinawa or Europe or north Africa, wherever) we will make you a guarantee that upon the completion of your tour of duty you can either come back to your old job or to a job of like pay, seniority and status. You will not suffer by virtue of going overseas."

There has been some question in the past as to whether oversea jobs have been directly overgraded in order to provide a kind of recruitment incentive to people. We in the Civil Service Commission have looked at this very intensively. We do not find that there is an overgrading of oversea jobs. In fact, I suspect if we could do a simultaneous inspection of all oversea posts, we would find that there was a smaller percentage of overgrading in oversea jobs than there is in the United States.

The final point I would like to make with respect to this liquidation is that in getting the best man that we can to take an assignment, we have to be able to promise him more than a job when he comes home.

We must tell him that this oversea service is a basic part of the training and experience which he needs to serve more adequately in jobs of higher responsibility as he moves on up the line.

I am sure from rather personal observation and many interviews that there are countless numbers of jobs in the Pentagon, in our major commands, of which Mr. Watts will speak; the Air Materiel Command, for example, the Federal Aviation Agency, many others, in which an absence of sound oversea experience would be a very considerable detriment to the individual in terms of having to make the policies, develop the management techniques, the oversea administration that is necessary to run from stateside.

I hope, therefore, that the committee will report this bill favorably. The details again of its operation, what it will and won't do, will be covered in the testimony of the witnesses who will come after me. I wanted to speak only about the overall import, and my absolute conviction that the bill is necessary, that it will accomplish the purposes that it is designed to accomplish, and that we will have a far better service afterward.

One little word in closing. On the House side there was considerable interest in the question of persons who perhaps had stayed overseas too long. Some people undoubtedly have stayed overseas too long. Now the extent to which this fact can be attributed that to the absence of this sort of legislation I do not know. There are people who just plain like the excitement and the difference of living away from the United States.

There are some people who like to live under hardship conditions. There are other people who want to stay overseas because they have married wives in other countries and have sort of built themselves into those economies.

Some of this is good. But I think any person can stay too long. They must remember they are Americans, and they are there to carry out national policies of the United States of America, and they are not there because of any attachment or liking they may have for the place in which they happen to be stationed.

Legislation of this sort will minimize the number of cases where people, so to speak, "go native." One of the Members of the House referred to the popular expression that has been used, "rice paddy daddy." These people are very, very much in the minority. I suppose you could count them in terms of scores rather than in terms of hundreds.

But I would say to the committee with all sincerity that this is not designed to correct a large-scale expatriation type of thing that has grown up because people have been sent overseas and then been permitted to stay too long.

I think that is all I would have to say about this bill, Mr. Chairman, except I would be glad to answer any questions about it or what is in it or refer those questions to the departmental representatives.

Senator YARBOROUGH. Senator Fong, do you have any questions?

Senator FONG. I have no questions.

Senator YARBOROUGH. Mr. Jones, do you have any statistical tables showing the average length of tour of duty overseas for civilian employees?

Mr. JONES. I don't think we can safely make an average because it varies with the conditions of climate and environment and so forth that pertain to the individual post, the degree of hardship that is associated with it, and other factors, such as, for example, whether it is possible to take your family with you.

While there are some short tours of duty of less than 2 years, we are moving generally in the direction of about a 2-year minimum in most posts. There may be some still that will have to be kept under that where there is great hardship involved, isolation, or adverse climate.

Where the climate is more equable and the living conditions are more like what we have in the United States, the tours of duty are

for a minimum of 2 years with an expectation of extension; in other words, you come home for home leave for 2 years, and then go back for 2 years. And there are some now for 3 years.

Senator YARBOROUGH. The Government then has no civilian employees overseas who have been there for over 4 years?

Mr. JONES. Oh, no, we have a good many employees who have been there for a longer period of time. There are a number of teachers who have been in foreign posts for 8, 10 or more years.

Senator YARBOROUGH. You are speaking of the newer assignments?

Mr. JONES. People are given the opportunity to what is sometimes called "extend." They may extend their period of service overseas if they have particular specialties which are needed and if there is no compelling reason to bring them back. When they initially go, the period in some cases is as short as a year under a contract, but we are moving more in the direction of a 2-year minimum except in a very few spots, and in many places 3 years.

Senator YARBOROUGH. I have had a number of complaints from Americans who have gone overseas either as tourists or to visit members of their families who are stationed there either in military or civilian service.

I have had quite a number of complaints in the past year or two about the American civilian personnel working for the Government along the line that you have mentioned there. They have said, well, we are very disappointed with the Americans over there about their attitude, not about their capabilities for the job, but they said they had lost interest in the United States, didn't care what was going on, and expressed the wish that they wouldn't be sent back. These were all practically in the European area which I have heard.

Mr. JONES. Unfortunately, I have had no personal experience with the European area, so I can't speak. There have been a number of instances where I have been told that that attitude of mind would be dissipated by legislation of this sort. People have been discouraged where they knew their tour of duty was about to be up and have made application for job back in the United States and found it would be difficult or impossible to guarantee that there would be any job when they came back. This cuts morale.

Senator YARBOROUGH. So this provision (c) which reads:

(c) The right to return to a position in the United States granted under this section shall be without reduction in the seniority, status, and tenure held by the employee immediately before his assignment to duty outside the United States and the employee shall be placed, not later than thirty days after the date on which he is determined to be immediately available to exercise such right, in accordance with the following provisions:

Without taking the time to read all those requirements which run for several pages, does that merely give him a right to go back to the status he had before he went overseas?

Suppose he served for 3 years overseas, does he lose promotions by being overseas?

Mr. JONES. The bill does not make it mandatory that he be kept at the same grade that he may have obtained overseas, but there is nothing which prevents him from being appointed in the same grade which he has attained overseas, and in many cases where there had been an overseas promotion he would in fact come back to that type of job.

Senator YARBOROUGH. He has a mandatory right not to be cut down below.

Mr. JONES. Not to be cut down below the point at which he was before he went overseas.

Senator YARBOROUGH. Thank you, Mr. Jones.

Senator YARBOROUGH. The next witness which we have listed this afternoon is Mr. Dayton W. Hull.

**STATEMENT OF DAYTON W. HULL, CHIEF, ALLOWANCE DIVISION,
OFFICE OF PERSONNEL, DEPARTMENT OF STATE**

Mr. HULL. Good afternoon, Mr. Chairman, my name is Dayton W. Hull. I am Chief of the Allowances Division, Department of State. I have held this position for the past 10 years.

I am appearing before the subcommittee because of the Department of State's deep interest in this bill. The Secretary of State has for the past 12 years exercised the authority vested by law in the President to issue governmentwide regulations affecting payment of foreign area allowances. As the agency responsible for prescribing these regulations governing allowances and post differential for all U.S. citizen civilian employees of the Government in foreign areas, the Department is naturally interested in the enactment of this bill.

The bill represents a step forward in equalizing benefits for employees abroad and will eliminate a large number of existing inequities.

Before entering upon a discussion of what this bill does and why we believe it a bill worthy of enactment, I would like to present for the study of the committee a detailed analysis of the provisions of H.R. 7758. This has been prepared jointly by the several agencies who have worked in the preparation of this bill. With the permission of the subcommittee, I would like to have this analysis inserted in the record while I emphasize just the highlights of the bill.

Senator YARBOROUGH. It will be received and printed as part of the record.

(The document referred to follows:)

DETAILS OF THE PROVISIONS OF H.R. 7758

1. Quarters Allowance(a) Continuation for all Agencies of Present Authority to Provide Overseas Quarters or Grant Allowances in Lieu of Government Quarters

Principal features as taken from the Standardized Regulations of the Department of State:

1. Either a quarters allowance or free government quarters are furnished to each American citizen civilian employee living in a foreign area by reason of his employment by the U. S. Government.
2. The quarters allowance is paid as a reimbursement of allowable costs incurred up to established ceilings.
3. The quarters allowance is not paid concurrently with temporary lodging allowance or travel per diem. Nor is it paid if free government quarters are provided.

(b) Extension to Non-Foreign Affairs Agencies of Temporary Lodging Allowance Upon First Arrival at New Post

Principal features as taken from the Standardized Regulations of the Department of State:

1. Temporary lodging allowance is given to help newly arrived employees defray expenses of hotel rooms while locating residence quarters and awaiting arrival of furniture.
2. Temporary lodging allowance can be used only within the first three months after first arrival at a post.
3. Temporary lodging allowance is not paid concurrently with the quarters allowance or travel per diem.
4. Expenses for meals are not included in the temporary lodging allowance.
5. Posts are grouped into 15 classes varying with lodging costs at hotels used by government employees. A maximum rate is set for each class. The amount paid is the actual cost or the maximum whichever is less.

Comments from House Report:

The Committee emphasizes that this temporary allowance will cover only average prices for adequate but not luxurious accommodations, including lodging, heat, light, fuel, and water. It is allowed while the employee is locating and arranging for suitable quarters and awaiting the arrival of his furniture. Assurance has been given to the Committee that this policy will be spelled out in the administrative regulations governing such allowance.

The Report also points out that existing law provides that the amount paid as a temporary lodging allowance to employees of foreign-affairs agencies may not exceed the amount of the per diem that would be allowable to the employee and his family if they were in travel status. This provision is omitted from H.R. 7758 for two reasons.

1. Temporary lodging rates are established to cover only the cost of hotel rooms, whereas per diem rates cover this and the cost of meals as well. Per diem rates are therefore usually more than double temporary lodging allowance rates. By definition, in other words, the temporary lodging rate never exceeds the travel per diem otherwise allowable. Thus the present limitation never applies.
2. Even if a ceiling were necessary, it is inequitable to base it on the per diem otherwise allowable because no per diem is authorized for families of employees of non-foreign-affairs agencies. For such an employee, if he had a large family, not even his room costs would be covered by the allowance.

Additional Comments:

The extension of the temporary lodging allowance so that it will be available to all employees who may be faced with heavy hotel expenses upon first arrival at a post is seen as a needed improvement. Morale suffers when two employees arrive at a post together, are booked into the same hotel, pay the same room rate, but receive a different allowance. At present the employee of a foreign-affairs agency receives the temporary lodging allowance to defray his expenses, while the other employee receives the regular quarters allowance, which is much lower, since it is based upon the cost of a house or apartment and not upon the cost of a hotel room.

(c) Addition for all Agencies of Temporary Lodging Allowance at End of Tour of Duty

Principal features:

This allowance would be identical with the present temporary lodging allowance authorized foreign-affairs agencies, except that it would be paid for periods of up to one month at the end of a tour of duty, as opposed to the beginning of a tour.

Comments from House Report:

1. Generally, an employee moves to a hotel for a short period just prior to leaving his post. Thus he avoids another full month's rent and allows time for the completion of departure arrangements.
2. The right to a full month's temporary lodging allowance does not automatically follow from the receipt of transfer or separation orders. Only as much of the month will be allowed as is justified by the circumstances.

Additional Comments:

Employees are transferred at the convenience of the Government and are seldom able to control the timing of departure. It is viewed as unfair that employees should be put to the personal expense of the extra cost of hotel rooms when they vacate their privately leased quarters just prior to leaving the post. Sparing use of this payment is envisaged since most employees will prefer not to move from regularly established quarters until the day of departure if it can be avoided. Regulations will spell out strict administration of this authority.

(d) Extension to Non-Foreign-Affairs Agencies of Water as a Utility to be Covered by the Quarters Allowance

Comments from House Report:

Existing law permits the quarters allowance to cover rent, heat, light, fuel, gas, and electricity. Foreign-affairs agencies may include water in addition to the other utilities specified. This section of the bill extends such authority to all Government agencies.

Additional Comments:

This is an example of the small differences in the allowances authority among agencies. While water at most posts is not an expensive item, no reason for a difference in treatment among

the agencies has been advanced.

(e) Addition for all Agencies of Authority to Reimburse Employees for Initial Repairs to Make Substandard Dwellings Habitable

Comments from House Report:

1. The purpose of this allowance is to make substandard or uninhabitable dwellings suitable for occupancy.
2. At certain posts of assignment, habitable quarters are not obtainable unless the employee bears substantial costs for necessary basic repairs, alterations, and improvements.
3. It is not intended that the allowance cover any alteration which is not basic to making a dwelling habitable, such as redecorating.
4. The government agencies could require that the lease contain wherever feasible provisions permitting a change of lessees without change in other provisions of the lease in order that the quarters concerned could be made available to another employee in the event of the transfer or separation of the original tenant.
5. The House has approved the allowance only on the understanding that appropriate regulations will be issued to provide that the total cost for an employee will not exceed his normal maximum authorized quarters allowance for two years.

Additional Comments:

1. The need to pay for initial repairs to make substandard quarters habitable is limited to a few areas of the world. These areas are characterized by a dearth of houses or apartments in reasonable repair and by a heavy influx of persons seeking housing. Army and Air Force personnel in provincial France, Spain, and Italy, and in cities such as Tokyo and Seoul have encountered these conditions.
2. Authority to reimburse employees for initial repairs would be utilized only in specific areas and for specific periods of time. For those few employees affected, however, this authority would enable them to avoid the undesirable choice between living for two years in a house, say, without inside plumbing or spending large sums out-of-pocket to install such plumbing.

3. Modest expenditures of funds to implement this provision are foreseen by the agencies concerned. This is assured by the House Committee understanding and Executive Branch agreement that the payment over a period of two years to any one employee for quarters allowance and initial repair costs may not exceed his maximum quarters allowance entitlement for two years.

(f) Extension to Non-Foreign-Affairs Agencies of Authority for Advance Payment of All Allowances

NOTE: Authority to pay all allowances in advance appears in the general provisions of the bill, since existing law authorizes advance payment of all allowances to foreign affairs agencies. In practice, however, the foreign-affairs agencies which now have this authority are using it only for making advance rent payments.

Principal features as taken from applicable Department of State Instruction:

1. Authority for payment of quarters allowances in advance is restricted to localities where local customs necessitate such advance payments and where the individual lessor requires it.
2. Employees granted advance payments are required to negotiate a minimum advance rental payment. Whenever possible, pre-payment leases must contain a thirty-day cancellation clause, provide for refund of the remaining portion of the prepaid rent in case of cancellation, and provide the privilege of subletting to another employee, as required.
3. Advance payment of quarters allowances may not be made for a period less than three months nor for more than one year unless specifically authorized by the Department. The maximum amounts that may be paid in advance for any given period may not exceed the annual rate of the authorized maximum quarters allowance, or the total rent cost for the period of the lease, whichever is less.

Comments from House Report:

1. An advance of funds which is not subsequently covered by allowances accrued to the employee concerned will be recoverable by the Government. Recovery may be effected by set-off against salary, retirement credit, or other amount due from the Government.

Additional Comments:

1. The granting of quarters allowances in advance has been authorized by the Department of State during the past three years only for approximately fifty of its overseas posts. Efforts to hold the need for advances to a minimum have been reasonably successful. In those few areas where it has been determined that advance payments must be made in order to secure adequate housing, it is felt that all employees of the Government should have the privilege of drawing their quarters allowances in advance, there being no reason for different treatment of employees faced with the same problem.
2. Amortization of rental advances is effected by pay period. On the employee's separation or transfer from the post, the unliquidated portion of the advance must be repaid.
3. In a few instances in which substantial losses would have been suffered because of unusual circumstances such as the evacuation of Baghdad in July, 1958, the Department has agreed to grant employees special allowances to relieve them of the loss incurred. The strict language of the bill as presently drafted appears to preclude such relief and to require that in all cases any advance not subsequently earned must be recovered from the employee. In order to provide some needed flexibility and to prevent unwarranted hardship when the inability to earn the allowance necessary to repay the advance is not the fault of the employee, an amendment to the bill would be desirable. A similar situation exists in connection with the training of Government employees as provided by PL 85-507 of July 7, 1958. That law also provides for recovery of the expenses of training when an employee fails to fulfill his agreement to continue in the Government service. The following flexibility, however, is provided in that law:

"The head of the department concerned may, in accordance with regulations of the Commission, waive in whole or in part any right of recovery under this subsection, if it is shown that such recovery would be against equity and good conscience or against the public interest."

A similar authority is suggested for inclusion in this bill, as a sentence to be added at the end of Section 202, as follows:

"The head of the Government agency concerned may, in accordance with regulations of the President, waive in whole or in part any right of recovery under this subsection, if it is shown that such recovery would be against equity and good conscience or against the public interest."

2. Cost-of-Living Allowance

(a) Continuation for all Agencies of Present Authority to Pay Post Allowances to Compensate for Living Costs Higher than in Washington, D. C.

Principal features taken from the Standardized Regulations of the Department of State:

1. The post allowance is a cost-of-living allowance paid to civilian employees assigned to foreign posts where the cost of living (excluding quarters) is substantially higher than in Washington.
2. No post allowances are paid to employees assigned to any post that does not exceed Washington costs by as much as 2 1/2 percent. Determinations are based upon reports received from each post showing approximately 700 prices. Consideration is given to the amount of goods purchased from local markets, from commissaries when available, and to goods shipped to the post at the time of assignment.
3. When all prices and necessary adjustments have been taken into consideration, any post allowance that is paid represents the amount necessary to enable the employee at the post to purchase with his salary and allowance goods and services equivalent to those he could purchase in Washington with his salary alone.
4. At approximately two-thirds of the posts in foreign areas, costs do not warrant post allowances.
5. The cost of living is surveyed at each foreign post at least annually, and rates are adjusted as indicated by the survey.

Comments from House Report:

These provisions of the bill consolidate and continue existing authority for Government agencies generally to pay post allowances to employees to compensate for higher living costs in certain foreign areas.

(b) Continuation for all Agencies of Authority to Pay a Transfer Allowance Upon An Employee's Assignment to Duty at any Post in a Foreign Area and at a Post in the United States Between Foreign Assignments

Principal features taken from the Standardized Regulations of the Department of State:

1. The transfer allowance is intended to reimburse partially an employee for the additional expense incurred because of the necessity for changing types of clothing, providing insurance on shipments of household goods, and replacing furniture and household equipment as necessary because of transfer to a new environment.
2. Transfer allowance payments range in size up to \$175, depending upon the size of the employee's family and the climatic zone to which an employee is transferred. At present, no payment is authorized for transfers which do not involve a change in climatic zone. Approximately two-thirds of all transfers fall in this non-payment category.
3. A variation of the transfer allowance is payable upon transfer to a post in the continental United States between assignments to posts abroad. This allowance is referred to as the "Home Service Transfer Allowance."

Comments from House Report:

This provision of the bill consolidates and continues existing authority for Government agencies generally to pay transfer allowances.

(c) Addition for all Agencies of the Authority to Pay the Existing Separate-Maintenance Allowance whenever the Family must be Maintained Away from the Post of Assignment but Remains within the Country of Assignment

Comments from House Report:

1. The separate-maintenance allowance is intended to assist an employee who is compelled -- because of adverse living conditions at his post of assignment or for the convenience of the Government -- to meet the additional expense of maintaining, elsewhere than at his post of assignment, his wife or his dependents, or both.
2. This provision of the bill consolidates, with one important change, the existing authority for Government agencies to pay separate maintenance allowances.
3. Existing law authorizes payment of the separate maintenance allowance when the family must be maintained elsewhere than in the country of assignment. This bill would change the word "country" to "post." This change would permit payment of the separate-maintenance allowance when it is essential that the employee maintain his family away from his post of assignment, although not necessarily outside the country of assignment.

Additional Comments:

1. This allowance is rarely paid, since the conditions at a post compelling family separation and warranting an extra allowance payment seldom occur. When such conditions do occur, this allowance is extremely important if the employee is not to bear a heavy financial burden through no fault of his own.
2. The improvement that will be made by changing the word "country" to "post" is best illustrated by a large country such as India. Riots and strife could occur in Bombay, while Delhi would be extremely safe. With the revised wording of the law, it would not be necessary for the employee to send his family to another country for safety; he could send them to another post in the same country and retain his eligibility for the allowance.

- (d) Continuation for all Agencies of Present Authority to Provide an Allowance to Cover Additional Costs of Securing Adequate Education of Dependents

Principal features as taken from the Standardized Regulations of the Department of State:

1. Education allowances are granted only at those posts where the costs of adequate schooling in grades 1 through 12 are in excess of the costs that would be incurred for a child in a United States public school.
2. If adequate schools are available at the post, no allowance is established for a school away from the post.
3. If no adequate school exists at a post, an allowance rate is established that is based on the costs of attending the nearest and least expensive adequate school.
4. If a United States Military Dependents' school is available at a post, no education allowance is paid for a child to attend any other school in a foreign country, unless special circumstances of illness or distance prevent attendance.

Comments from House Report:

This provision of the bill consolidates and continues the existing authority of Government agencies generally to grant an education allowance.

- (e) Extension to Non-Foreign-Affairs Agencies of Authority to Pay the Travel Expenses of Dependents who are Transported to and from the United States to Obtain a Secondary or Undergraduate College Education, not to Exceed one Trip Each Way for Each Dependent

Principal features as taken from the Foreign Service Manual:

1. Payment of a child's travel expenses to the United States is authorized for the purpose of securing secondary schooling or college education.
2. The travel may not exceed one trip each way for each child for the purpose of obtaining each type of education.
3. The first trip for obtaining a secondary or college education must originate outside the continental limits of the United States.
4. The child must have been abroad continuously not less than 45 days prior to the date he will commence travel to the United States. This 45-day requirement is not applicable when the child's transportation abroad within the 45-day period was not at Government expense.

Comments from House Report:

1. Under existing law, foreign-affairs agencies provide three choices to employees having high-school-age dependents:
 - a. a child of high-school age may be entered in a secondary school in a foreign area and receive the applicable allowance; or
 - b. the child may be sent to the United States for secondary education without entitlement to the allowance following his arrival; or
 - c. the child may be sent to the United States for secondary education without the cost of the trip being paid for by the Government, but the employee would be entitled to the regularly prescribed allowance.
2. This provision of the bill consolidates the travel-payment authority granted under existing law and extends such travel-payment authority to those agencies not authorized to make such payments at the present time.

Additional Comments:

1. Extension to non-foreign-affairs agencies of the authority to pay costs of transporting employees' dependents to and from the United States to obtain an American secondary or undergraduate college education is viewed as removing inequity in the treatment of employees serving at the same posts in foreign areas.
2. Existing law differs slightly from the language of the House Bill. The present authority to transport dependents for secondary and college education is contained in section 911 (9) of the Foreign Service Act and uses the phrase "travel expenses." These words authorize the usual expenses of transportation, per diem, and related travel costs. The proposed bill uses the phrase "the cost of transporting dependents," which would prevent payment of more than the actual air or ship fare. Since the House Report, in commenting on other changes in language, does not comment on this change, the omission is believed inadvertent. Restoration of the phrase "travel expenses" would continue present authority, and is recommended. The following language changes would be required (new language underscored; old language bracketed):

Section 221

- (4) An education allowance or payment of transportation / travel costs to assist an employee with the extraordinary and necessary expenses not otherwise compensated for, incurred by reason of his service in any foreign area or foreign areas in providing adequate education for his dependents, as follows:

* * *

(B) The cost of transporting / travel expenses of dependents of an employee to and from a school in the United States to obtain an American secondary or undergraduate college education, not to exceed one trip each way for each dependent for the purpose of obtaining each type of education; but no allowance payments under subparagraph (A) of this paragraph (4) shall be made for any dependent during the twelve months following his arrival in the United States for secondary education pursuant to authority contained in this subparagraph (B). Notwithstanding section 111 (6) of this Act, transportation, travel expenses, for the purpose of obtaining undergraduate college education, may be authorized under this subparagraph (B), under such regulations as the President may prescribe, for dependents of employees who are citizens of the United States stationed in the Canal Zone.

- (f) Addition for all Agencies of Authority to Pay Education Allowances on Behalf of Dependents who were Transported to the United States Under Provisions of (e) above Provided that Such Allowances are not Paid During the 12 Months Following the Dependent's Arrival in the United States

Comments from House Report:

1. The language limits the prohibition on payment of allowances when transportation to the United States is authorized for secondary education purposes to the 12 months following arrival in the United States.

2. Present statutory language has been interpreted to prevent the authorization of educational travel for a child on whose behalf an education allowance was granted, for example, in the first year of secondary school even though the parent has been transferred to another post at which secondary education is not available.
3. This change in language is intended only to provide needed flexibility without changing the basic principle that education allowances will not be available to a parent whose child has been transported to the United States at Government expense for the purpose of securing secondary education and continues to be educated in the United States.

Additional Comments:

The flexibility afforded by the language meets the needs that have developed after five years of experience with the educational benefit program. For example, employees who transfer to a post where local secondary schools are inadequate will be able, under the new authority, to send their children back to the States to school under the education travel grant although an education allowance had been received on behalf of the child in prior secondary school years. Conversely, a parent who sends his child to the United States under a travel grant to obtain a secondary education can receive an education allowance at a later date if he brings the child overseas again to continue secondary schooling. The allowance will not be available to the parent on behalf of a child in secondary grades who remains in school in the United States after being transported there under the travel grant to obtain a secondary education.

- (g) Addition for all Agencies of Authority to Pay Travel Expenses of a Child to the School Where the Secondary or Undergraduate College Education is to be Obtained, Rather than only to the Nearest Port of Entry

Comments from House Report:

The language permits travel to the school or college the dependent is to enter rather than only to the nearest port of entry as is presently the case.

Additional Comments:

Authority to transport dependents to schools and colleges to be attended rather than just to the nearest United States port of entry permits granting the educational travel benefit in full and affords equal

treatment to all employees. For example, employees who are assigned to posts in Europe and who send dependents to Eastern schools and colleges are now in a more favorable position than the employees in the same areas who choose educational institutions in the West. The new language places all employees on the same basis.

(h) Addition for all Agencies of Authority to Pay Expenses of Travel, for the Purpose of Obtaining Undergraduate College Education only, by Dependents of Employees who are Citizens of the United States Stationed in the Canal Zone

Comments from House Report:

1. This provision authorizes the payment of travel expenses, under regulations to be prescribed by the President, for the purpose of obtaining undergraduate college education only, for dependents of employees who are citizens of the United States stationed in the Canal Zone.
2. The provision waives section 111 (6) of the bill which defines the term "foreign area" as excluding the Canal Zone.

Additional Comments:

Making the allowances for travel to obtain undergraduate college education available to dependents in the Canal Zone is a logical extension of this benefit. Undergraduate college facilities in the Canal Zone are not offered beyond the first two years. Those employees who plan a four-year college program for their children want them to spend the entire four-year period in one institution.

3. Post Differential

Continuation for all Agencies of Authority to Pay a Post Differential not to Exceed 25 Percent of Basic Compensation, Based on Adverse Conditions of Environment which Warrant Additional Compensation as a Recruitment and Retention Incentive

Principal features as taken from the Standardized Regulations of the Department of State:

1. The purpose of the post differential is to compensate employees for undesirable conditions of environment which exist at some posts of assignment in foreign areas. These undesirable conditions may take the form of physical hardships, hazards to health, and difficult conditions of living generally.

2. The post differential is intended to serve as an incentive in the recruitment and retention of personnel to be employed at the more undesirable locations.
3. The post differential is authorized only for those posts at which the degree of hardship is in excess of that which employees are expected to undergo as part of the sacrifice necessarily involved in overseas service.
4. More than one-half of the posts in foreign areas have no post differential. A large number of posts having a considerable degree of hardship do not receive post differential.
5. The post differential is subject to tax as a part of gross income. Other allowances are not taxable.

Comments from House Report:

1. Section 231 of the bill continues and consolidates the authority now contained in existing law for the payment of post differential at foreign posts.
2. The existing limitation is retained on the amount of post differential which may be paid by providing that additional compensation paid as post differential shall not exceed, in any instance, 25 percent of the rate of basic compensation.

Additional Comments:

1. The post differential program is seen as representing a fair and equitable way of rewarding those employees who accept undesirable posts of assignment for long periods.
2. The language of H. R. 7758 specifically includes Ambassadors as employees who are eligible for various allowances in the bill, including the post differential. At present Chiefs of Mission receive all applicable allowances but do not receive the post differential. The authority provided in the bill to pay post differential to Ambassadors is permissive. The Department of State does not plan to make such payments at this time.

4. Storage

Extension to Non-Foreign-Affairs Agencies of Authority to Pay Storage Expenses for Household Effects Under Certain Circumstances

1. The bill provides for the storage of an employee's household goods and personal effects when the employee is assigned to a post outside the continental United States to which he cannot take, or at which he is unable to use, his household goods and personal effects. It would permit the head of the department concerned to authorize the storage of household goods and effects in the public interest for reasons of economy.

Comments from House Report:

1. The general purpose of Section 311 is to provide the basis for the extension to all departments and agencies of authority for payment of the costs of storage of furniture and household and personal effects of employees assigned to foreign posts, and of certain related expenses, which is comparable to the authority for payment of such expenses now contained in Section 911 of the Foreign Service Act of 1946, with respect to the Foreign Service of the United States, and in similar provisions of law with respect to certain other agencies. One effect of the amendment will be to provide a basis for payment or reimbursement of such expenses of all Government employees assigned to foreign posts on a reasonably uniform and equitable basis.
2. The amendment adds in paragraph (5), (of Section 911 of the Foreign Service Act), for the first time, a specific weight limitation to the effect that in no instance shall the weight or volume or weight of the articles transported, under authority of such paragraph, exceed the maximum weight and volume limitations fixed by regulations, when not otherwise fixed by law.
3. The bill authorizes storage for not to exceed 3 months of household effects of a Foreign Service Officer or employee who is being separated. This would allow a period of time for the employee to select a permanent residence.

5. Shipment of Household Effects

Principal features:

1. The bill would eliminate the 8,750 pound maximum limitation on crated shipments of household effects of non-foreign-affairs

agency employees. The net-weight maximum allowance of 7,000 pounds would be retained.

Comments from House Report:

1. The necessary packing and crating for overseas shipment of household effects increases the gross weight of such shipments by an average of approximately 90 %. This has the effect of reducing the maximum net weight limitation on a shipment of household effects consigned overseas to an average of something under 4,000 pounds.

Additional Comments:

1. The result of the gross-weight limitation is that employees are automatically restricted to a figure which, exclusive of packing and crating material, is considerably lower than was intended. In quite a few cases, employees shipping household effects well within the uncrated limit of 7,000 pounds have been forced to pay overweight shipment charges running to several hundred dollars.

6. Official Residence Expense

Extension to Non-Foreign-Affairs Agencies of Authority to Pay Costs of Unusual Housekeeping Expenses for the Principal Representatives at a Post

Principal features as taken from the Foreign Service Manual of the Department of State:

1. The official residence allotment is a partial reimbursement for the extra housekeeping costs due to a principal representative's position which requires the maintenance of a household more extensive than necessary for an officer at the post in a lesser capacity.
2. The amount of the allotment is based upon the normal living pattern of senior officers at a post, the difference between these normal housekeeping expenses and the costs the principal representatives are required to bear, and the size and condition of the official residence at the post.

Comments from House Report:

1. The principal representatives and, at times, other senior officials of the United States who are stationed at foreign posts are compelled, in the best interests of their Government, to maintain residences of a type which would not be necessary except for the positions of conspicuous responsibility which they occupy at their foreign posts.
2. The Department of State has been, and will remain, the principal user of the authority to provide this allotment. However, other departments and agencies on occasion are expected to have need to use this authority.
3. It is intended, and the committee has received full assurance, that this authority will continue to be used very sparingly and that its use for other than chief representatives of the United States at foreign posts will be strictly limited to unusual circumstances involving actual necessity.
4. Reimbursement is not permitted to any individual for the ordinary household expenses which he would incur in any case. This authority is intended to extend only to the additional expenses necessarily incurred by chief representatives and senior officials of the Government in maintaining residences which are larger and more elaborate than otherwise would be required.

Additional Comments:

1. Extension of the authority to pay unusual expenses in connection with the operation of official residences is expected to add relatively few officials to the limited number now authorized to receive such payments. Some agencies represented overseas will have no officers in this category.
2. The State Department as the principal current user of this authority makes official residence allotments to one principal officer at each post, and makes in addition allotments to about 20 other top officers such as the Deputy Chiefs of Mission at the largest posts.

7. Privately Owned Motor VehiclesExtension to Non-Foreign-Affairs Agencies of Authority to Ship Privately Owned Motor Vehicles under Certain Circumstances

1. The bill would authorize the shipment of employees' vehicles by Government transportation or commercial means when the transportation is considered by the head of the agency to be in the interest of the Government for the employee to have the use of the motor vehicle at his post of duty.
2. It would authorize the transportation of a replacement vehicle after four years or earlier if a replacement vehicle is determined to be necessary by the head of the agency.

Comments from House Report:

The Committee was given specific assurance that this authority for the transportation of privately owned motor vehicles would be strictly administered to insure that such transportation will be authorized only where it is clear that the use of an employee's motor vehicle will contribute to effectiveness in the performance of official duties, is desirable and suitable under local conditions, is in the interest of the Government, and is not solely for the personal convenience of the employee.

The Committee intends to maintain a close watch of the costs exercised in the transportation of privately owned motor vehicles.

Additional Comments:

The agencies concerned state that the automobile shipment allowance will be austere administered. For example, it is not contemplated that automobiles will be shipped to any U. S. employees stationed in Europe. The reason for this is that European automobiles, which are available to U. S. employees, are usually entirely adequate. Furthermore, the larger U. S. cars are not suitable to many narrow European roads and, because of their size, they tend to have a poor psychological effect upon Europeans who see Americans driving them.

In other countries, where domestic cars are not available, however, the authority for this allowance is seen as essential, so that employees who need cars as part of their jobs will have them.

8. Leave

(a) Extension to Foreign-Affairs Agencies of Authority for a Maximum of Forty-Five Days of Annual Leave Accumulation by Employees Stationed Abroad

1. Existing law provides for the accumulation of a maximum of 30 days of annual leave for employees of the foreign-affairs agencies abroad. Employees of all other agencies may accumulate 45 days. This bill would equalize for all the annual leave accumulation at 45 days, thus removing an inequity.

(b) Extension to Non-Foreign-Affairs Agencies of Home-Leave Privileges for Employees after Twenty-Four Months of Service Abroad

1. Existing law provides that employees abroad of non-foreign-affairs agencies shall accrue annual leave on the same basis as is provided for employees in the States. Employees abroad use much of this leave locally for personal business and recreation, so that frequently insufficient leave is available to permit trips home. Periodic vacations in the States are seen as desirable for all U. S. citizen employees.
2. The home-leave provision allows additional leave for this purpose. The home leave would be granted at a rate not to exceed one week for each four months of service. It is separate and apart from annual and sick leave. Home leave would be granted only to officers and employees who have completed at least 24 months of continuous service outside the U. S. The home-leave provision of this bill is a permissive provision that would be used only to the extent determined to be indicated by conditions of employment in particular overseas areas.

9. Exemption from Income Tax

Continuation for all Agencies of Exemption of Allowances (but not Differential) from Income Tax

Comments from House Report:

1. Existing law and rulings of the Internal Revenue Service provide that amounts received as cost-of-living allowances are not includible in gross income. These allowances are not considered as part of basic compensation for tax purposes.

2. Amounts received as salary differential to offset conditions of environment (not living costs) are considered by existing revenue rulings to be a part of compensation and hence taxable.
3. This bill makes a number of technical amendments to the Internal Revenue Code of 1954 which are necessary in order to conform it to the changes in legal authorities made by this bill.

Additional Comments:

Continuation of existing practices with respect to the tax status of allowance and differential payments appears to be appropriate.

Mr. HULL. This bill has been developed through extensive hearings, conferences, and studies conducted during the past several years by the Civil Service Subcommittee of the House Committee on Post Office and Civil Service, in cooperation with the Department of Defense, the Department of State, the personnel adviser of the President, the U.S. Civil Service Commission, the General Accounting Office, and other agencies having oversea responsibilities. Our aim throughout this period has been to develop a bill which would provide equitable and fair treatment of those civilian employees who are U.S. citizens and who are employed, for the most part, in foreign areas.

In essence, this bill deserves our support because it is an effort to do justice to our employees as any good employer, whether Government or private, would surely attempt to do. Just one example of this may perhaps suffice. At the present time the law authorizes a temporary lodging allowance to be paid employees of the Department of State and related agencies when they first arrive at a new post of duty. This allowance is larger than the regular quarters allowance since it is based on the cost of hotel rooms rather than more permanent quarters. In the adjoining hotel room may be an employee of the Department of Justice with his family, who similarly is a new arrival and is looking for permanent accommodations. Despite the fact that they are booked into the same hotel, pay the same room rate, and in all respects have an identical situation, they receive a different allowance. The employee of the Department of State receives the temporary lodging allowance to defray his hotel room expenses, while the Department of Justice employee receives the regular—and lower—quarters allowance which is based principally on housing rentals. This kind of inequity of treatment cannot be defended. It exists solely because there has been no comprehensive statute to govern the payment of allowances and differentials to U.S. citizens employed by the Federal Government in foreign areas.

The most important achievement of this bill is that it provides for uniformity of treatment for all oversea employees to the extent justified by comparative conditions of employment. I should like to list a few of the ways in which this desirable uniformity is provided.

The bill extends to the nonforeign affairs agencies—and I should perhaps interrupt here to explain that the term “foreign affairs agencies” is a convenient designation for those agencies having authority to use the provisions of the Foreign Service Act of 1946, as amended. These agencies include the Department of State, Central Intelligence Agency, International Cooperation Administration, U.S. Information Agency, Foreign Agricultural Service, Veterans’ Administration, and the Federal Aviation Agency. All other agencies are considered, for the purposes of my discussion, nonforeign affairs agencies. This bill, then, extends to the nonforeign affairs agencies—

- (1) The authority to pay a temporary lodging allowance upon first arrival at a new post;
- (2) Authority to include water as a utility to be covered by the regular quarters allowance;
- (3) Authority for payment of allowances in advance;
- (4) Authority to pay travel expenses of children who are transported to the United States for secondary or college education;
- (5) Authority to pay storage expenses for household effects;

- (6) Authority to pay the cost of unusual housekeeping expenses for the principal representative of the Government at a post;
- (7) Authority to ship privately owned motor vehicles under certain limited circumstances;
- (8) Authority to grant home leave after 24 months of service abroad.

While the major accomplishment of the bill is to provide for extension of a series of minor benefits, each in itself a relatively small thing, the cumulative impact will greatly improve morale and employee effectiveness.

In addition to the foregoing extension of existing benefits, the bill also provides improvements and some needed flexibility in existing allowances and differentials.

The first such improvement I should like to mention is the provision that the bill makes for the payment of temporary lodging allowances at the end of a tour of duty. This allowance will be identical with the present temporary lodging allowance authorized foreign affairs agencies except that it may be paid for a period up to 1 month at the end of a tour of duty instead of just at the beginning of a tour. An employee is transferred at the convenience of the Government and may have to vacate his privately leased quarters just prior to leaving his post. By terminating his lease and moving to a hotel for a short period, he avoids another full month's rent. Most employees will not have occasion to use this particular allowance since no one moves from his regular quarters to a hotel if it can be avoided, but for the employee who has a large family and requires a few days in a hotel before departure this allowance will be important.

The second improvement is the addition of authority to reimburse employees for initial repairs to make substandard dwelling habitable. In some provincial areas in Europe and the Far East the only available dwellings do not have adequate wiring for electrical appliances or they lack workable plumbing. At the present time an employee who rents one of these homes, usually for less than the maximum allowance to which he is entitled, must bear the cost for necessary basic repairs. As an assurance that this authority will not get out of hand the bill provides that the total cost that may be reimbursed the employee may not exceed his normal maximum authorized quarters allowance for 2 years. Here again there will be very few employees affected, but those who are will find it an important allowance.

The third improvement is a change in existing law to permit payment of the separate maintenance allowance whenever a family must be maintained away from the employee's post of assignment but remains within the country of assignment. Existing law permits the payment of this allowance only if the employee is compelled to maintain his family in another country. The bill changes this requirement to permit payment when the family is being maintained away from the post of assignment. I call your attention to the fact that this payment may be granted only when the family must be maintained away from the post. It cannot be a mere choice of the employee.

Fourth, the bill will remove a limitation in the present education allowance which has prevented necessary flexibility of choice. At present the parent has a one-time choice. He either applies for an educa-

tion allowance to meet the expenses of securing the equivalent of a free public education for his child, or he applies for a travel grant to the United States. When such an employee is moved to another post where educational circumstances may be different he cannot change his choice. Let us take an example.

An employee may be stationed in Accra, Ghana, where there is no suitable high school. He applies for a travel grant to send his child back to a boarding school in the United States. After a year or 2 he is transferred to Geneva where there is a very fine international school, albeit expensive. Since he has been given a travel grant, the present law will not permit him to receive an education allowance if he brings the child to his new post to continue high school education. The change that this bill makes is to permit flexibility, so that after a period of 12 months the prohibition on payment of allowances when transportation to the United States has been authorized will no longer apply.

The fifth improvement also relates to the educational problem of the parent stationed abroad. Present law authorizes the payment of travel to the nearest port of entry in the United States. The parent must pay any additional cost to get his child to the high school or college he has selected. This has meant an unfortunate discrimination against employees assigned to Europe, for example, whose ties have been to Western United States. They must pay the transportation expenses from New York west. The bill will permit payment of travel expenses to the school where the education is to be obtained rather than only to the nearest port of entry. This is a logical step in equalizing costs between the employee stationed abroad and the employee who is stationed in the United States.

The reference I have just made to paying travel expenses brings me to the need for some technically perfecting amendments to the bill as passed by the House. Existing law, when referring to the transportation of dependents for secondary and college education, uses the phrase "travel expenses." These words authorize the usual expenses of transportation, per diem, and related travel costs. The bill as passed by the House uses the phrase "the cost of transporting dependents," which would prevent payment of more than the actual air or ship fare. Since the House report, in commenting on other changes in language, does not mention this change, we believe the House did not intend any change. The necessary amendment to restore the wording of existing law is to substitute the words "travel expenses" for the word "transportation" in section 221 where it appears. The clerk of the committee has been provided with the necessary word changes.

A second amendment which we believe is desirable relates to section 202 of the bill which directs the recovery of any allowances paid in advance which are not later earned by the employee. Present law does not specifically require recovery of advances not subsequently earned, although such recovery is the normal practice. In the past, the Department of State has granted relief when the failure to earn the allowance has resulted from unusual circumstances. When Foreign Service employees, for example, were evacuated from Bagdad in July 1958 they left behind houses on which local custom had required them to make up to 2 years advance payment of rent. Despite repeated efforts, no refunds could be obtained from the landlords.

In these circumstances the Department granted the employees special allowances to relieve them of the losses incurred. In order to prevent unwarranted hardship, the Department believes that an arrangement similar to that provided in the Government Employees Training Act should be adopted. That law permits the head of a department, in accordance with regulations of the Civil Service Commission, to waive the right of recovery of expenditures for training if it is shown that recovery will be against equity and good conscience. We suggest a similar authority for inclusion in this bill at the end of section 202. The clerk of the committee has been provided with this wording.

Let me make it clear that such authority to waive repayment will never be used when the loss results from an action within the control of an employee or when he is transferred from a post at his own request.

Two other typographical changes are required. On page 23, line 8, the fiscal year should be changed to 1961 since the 1960 fiscal year is about to end. And on page 23, line 23, section 1131 should be followed by parentheses (1) and parentheses (2) to be consistent with what is actually being repealed by line 20.

In this discussion of H.R. 7758 I have summarized the various ways in which existing benefits are being extended to employees of the so-called nonforeign affairs agencies. There is one instance of extension to the Foreign Service of a privilege now available to the nonforeign affairs agencies. Present law authorizes the employees of nonforeign affairs agencies to accumulate annual leave up to a maximum of 45 days. In the Foreign Service it may be accumulated only to 30 days. The bill will provide for the foreign affairs agencies a maximum accumulation of 45 days, thus making the accumulation of leave permissible to a uniform maximum for all oversea employees.

Like any bill that attempts to refine, improve, consolidate, and make uniform various provisions of law, this bill is complex and it may be difficult to understand. If I can assist the committee in any way in clarifying the various provisions I would be most happy to do so.

Thank you very much.

Senator YARBOROUGH. Senator Fong?

Senator FONG. I have no questions.

Senator YARBOROUGH. Do the members of the staff have any questions?

Mr. FULLER. Mr. Hull, could you give us the approximate cost of the implementation of this bill?

Mr. HULL. It will be divided into two parts. The House report calls attention to the fact that the total expense of the bill is \$2,900,000. They were considering only the expenses to be incurred by the Department of Defense. Their witnesses will perhaps refine that figure.

The figure for the remaining nonforeign affairs agencies that will be affected is very small. I doubt if it will exceed \$50,000 per year.

The reason is, as you will note from my testimony, that the bill generally is extending to the nonforeign affairs agencies, including the Department of Defense and its constituents, a number of benefits. It is those benefits which will cost the Department of Defense additional money. Those benefits currently exist for the Department of State and the foreign affairs agencies with one or two very modest ex-

ceptions, so that it is believed that the only additional cost will be less than \$50,000 over what has been cited in the House report.

Senator YARBOROUGH. I would like to ask a question at this point.

Do you mean \$50,000 other than that for the employees of the Department of Defense?

Mr. HULL. Yes, sir.

Senator YARBOROUGH. You mean for all of the other employees the additional cost of only \$50,000 and the whole cost of the bill would be \$50,000 per year added to the Department of Defense estimate of the cost of its department?

Mr. HULL. Yes, sir. That is the case, owing to the fact that so many of the agencies in the past few years have acquired these various benefits through separate legislation. Just last summer the Veterans' Administration was the beneficiary of a law which provides Foreign Service type benefits to their employees abroad. The Federal Aviation Agency is also one, similarly, within the last year or so, which has joined this group.

As there are relatively few employees left who, outside the Department of Defense, do not already have most of the benefits covered by this bill, my estimate of \$50,000 will cover them.

Mr. FULLER. Mr. Hull, this bill would extend to nonforeign affairs agencies the authority to pay the cost of unusual housekeeping expenses for the principal representative.

Could you identify typical positions in agencies other than the Foreign Service which would be eligible for this?

Mr. HULL. It is a bit difficult for me to identify them outside the Foreign Service since I am, of course, most familiar with the positions that are attached to the Department of State.

Let me say that at present the Department of State uses this official residence allotment to pay the unusual housekeeping expenses of the principal officer which it maintains at each of approximately 250 posts around the world. In addition, it makes an allotment to approximately 20 deputy chiefs of mission at the largest capitals.

Other agencies may wish to make this allotment to their top representative. For example, the Department of Agriculture with its agricultural attachés may wish to use it for them.

I have not been informed that any other department specifically intends to use the authority granted in this bill. But that decision would be made in the light of the circumstances that each department finds itself in.

Surely it will be used very sparingly.

Mr. FULLER. The bill authorizes for non-foreign-affairs agencies the advance payment of all allowances; yet, I understand that those agencies already having this authority use it only for making advanced rent payments.

Could you tell us why the broader authority is requested in this bill?

Mr. HULL. Yes, sir. The requirement to pay rents in advance has been the major circumstance where it seemed in the interest of the Government to advance money to an employee which he had not yet

earned. One other area where we have not utilized this authority as yet, although it exists in existing law for the foreign affairs agencies, is the transfer allowance. This helps defray the expenditures to which an employee must put himself when he starts packing up and getting ready to embark on his new assignment.

The transfer allowance is payable only if the employee is going to another climatic area; for example, going from a temperate climate to a tropical climate. He invests in clothing to suit that climate. We think it might be desirable at some future date to pay that allowance to him before he has arrived at his new post and consequently earned it. Perhaps pay it to him when he is still making his final arrangements to leave this country.

As I said, that broad authority currently exists in the law for the foreign affairs agencies. We have not used it for this transfer allowance, but we may decide to.

We have certainly used it for payment of rent in advance. It has been very useful. It has been utilized in approximately 50 locations around the world.

We would like to have the broader authority so that in the event of need we will be able to pay such allowances in advance.

Senator YARBOROUGH. Mr. Hull, on page 12 you point out that the present law authorizes the employees of non-foreign-affairs agencies to accumulate annual leave up to a maximum of 45 days, but in the Foreign Service it may be accumulated for only 30 days, and the bill would provide for the foreign affairs agencies a maximum accumulation of 45 days.

Is that 45 days a year in addition to the leave time that you would grant on a transfer of station from one country to another with leave to the United States?

Do they get this much, say, someone stationed in Germany; do they get 45 days' leave time a year under the bill and when they finish a 3-year tour of duty another additional leave in the States before they are sent, say, to Korea?

Mr. HULL. I think I can clarify that by making it clear that this 45 days represents the maximum that may be accumulated. It is not an amount that is earned each year.

For example, a long-term employee will earn 26 days of annual leave per year. This bill will permit him, going abroad, to accumulate to a maximum of 45 days.

Senator YARBOROUGH. This is maximum overall accumulation. Even if he is there 3 years, he can only accumulate 45 days?

Mr. HULL. At the moment he can only accumulate 30 days.

Senator YARBOROUGH. But under this bill he could accumulate up to 45 days even if he stayed 5 years or more?

Mr. HULL. That is right.

Senator YARBOROUGH. Are there any further questions by members of the staff?

Mr. FULLER. No, sir.

Senator YARBOROUGH. Thank you, Mr. Hull.

The next witness is Mr. Wheelless.

STATEMENT OF LEON L. WHEELLESS, STAFF DIRECTOR FOR CIVILIAN PERSONNEL POLICY IN THE OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE, MANPOWER, PERSONNEL, AND RESERVE; ACCOMPANIED BY JOHN A. WATTS, DIRECTOR OF CIVILIAN PERSONNEL, DEPARTMENT OF THE AIR FORCE; AND CHARLES F. MULLALY, DIRECTOR OF CIVILIAN PERSONNEL, DEPARTMENT OF THE ARMY

Mr. WHEELLESS. Mr. Chairman, I am Leon L. Wheelless, Staff Director for Civilian Personnel Policy in the Office of the Assistant Secretary of Defense, Manpower, Personnel, and Reserve. With me is Mr. John A. Watts, Director of Civilian Personnel of the Department of the Air Force, and Charles F. Mullaly, Director of Civilian Personnel, Department of the Army.

We appreciate the opportunity to discuss with you the provisions of H.R. 7758 and H.R. 10695, both of which are of considerable interest to the Department of Defense.

After World War II it became necessary for the first time for the Department of Defense and many other Federal agencies to employ U.S. citizens in foreign areas in rather large numbers. While the numbers of such personnel have declined over the years, there still remain some 20,000 U.S. citizens employed by this Department in foreign countries. As long as the maintenance of sizable military forces overseas is required in the interest of national defense, it will continue to be necessary to support these forces with U.S. citizen civilian personnel.

Considerable progress has been made in resolving many of the problems first experienced in utilizing U.S. citizen employees in foreign countries and in improving the personnel programs applicable to oversea areas. H.R. 7758 and H.R. 10695 will enable further improvements which are highly desirable.

Mr. Hull of the State Department has explained to you in detail the provisions of H.R. 7758. Many of these provisions are available to the Department of Defense under current laws, but there are some authorities which would be new. These would include:

(1) Authority to pay a temporary lodging allowance to an employee for up to 3 months after arrival at, and for up to 1 month before departure from, an oversea post: Such authority is now available only to agencies authorized to use the Foreign Service Act provisions. Temporary lodging allowances are intended to cover an employee's hotel room expenses upon first arrival at a foreign post, while looking for suitable quarters and awaiting arrival of furniture, and to cover similar expenses immediately prior to departure from a foreign post, when the employee has relinquished his lease on permanent quarters.

(2) Authority for storage of household goods and personal effects, at Government expense, when the employee is assigned to an oversea post to which he cannot take, or at which he cannot use, such goods and effects: This authority is presently available to agencies under the Foreign Service Act. It would relieve an employee of personal expense for storage when conditions beyond his control would preclude his using his effects at an oversea post of assignment. The same

weight limitations applicable to shipment would also apply to storage of household goods and personal effects.

(3) Authority for transportation to and from oversea posts of privately owned motor vehicles of civilian employees, when determined to be in the interest of the Government: There are many oversea posts at which, due to inadequacy of local transportation facilities, availability of his privately owned motor vehicle is necessary for proper performance of an employee's duties. At present, if he cannot purchase an automobile locally at a satisfactory price, a Defense civilian employee must personally bear the cost of shipping an automobile from the States to his post of assignment. The authority contained in H.R. 7758 would permit correction of this inequitable situation, when considered to be in the interest of the Department.

(4) Authority to provide for "home leave," comparable to that available to agencies operating under the Foreign Service Act: At present Defense employees in oversea areas accrue annual leave on the same basis as stateside employees. Since much of this leave is used locally for personal requirements and vacation purposes, inadequate leave sometimes remains for the periodic vacations in the States which are both necessary and desirable for U.S. citizen employees. The "home leave" provision would permit additional leave for this purpose. The provision is permissive only, and would be used only to the extent determined to be necessary in consideration of conditions of employment in particular oversea areas. Any "home leave" not used by an employee during his period of oversea employment would not be available for lump-sum payment upon separation.

H.R. 7758 would also amend the current authority in the Administrative Expenses Act relating to the shipment of household effects of civilian employees. The current law permits shipment of 7,000 pounds uncrated or 8,750 pounds crated. The uncrated figure of 7,000 pounds is considered adequate. However, the weight of packing and crating for oversea shipments averages about 90 percent of the weight of the household effects, so that for all practical purposes the net weight limit is reduced to slightly over 4,000 pounds. This unrealistic gross limit has resulted in a number of employees having to pay for overweight shipments. H.R. 7758 would eliminate the gross weight limit and establish a net weight limit of 7,000 pounds. This would be consistent with the laws governing the shipment of household effects of military personnel and of Foreign Service personnel.

The various provisions of H.R. 7758 would be administered in accordance with regulations to be issued by the President. Within the Department of Defense we would propose to administer the authorities granted by this bill on a strict basis, authorizing only those provisions in each foreign area which are considered necessary to insure fair and equitable treatment for our employees.

We consider that enactment of this legislation will greatly improve our civilian personnel programs in foreign areas and will provide the much needed consistency with the programs of other agencies. We urge favorable action by this committee.

H.R. 10695 is legislation which is also of vital importance to the Department of Defense in staffing its positions in foreign areas with competent civilian employees. It will be particularly effective in

enabling us to persuade more of our competent employees in the States to accept temporary oversea assignments. Mr. Watts has devoted much time to the development and support of this legislation and I am going to ask him to explain its provisions to you.

Mr. Chairman, meanwhile, if you have any questions on H.R. 7758, we will be happy to answer them at this time or after Mr. Watts has concluded his statement.

Senator YARBOROUGH. Does the staff have any questions of Mr. Wheeler?

Mr. FULLER. No, sir.

Senator YARBOROUGH. Thank you. We will proceed with Mr. Watts' statement.

STATEMENT OF JOHN A. WATTS, DIRECTOR OF CIVILIAN PERSONNEL, DEPARTMENT OF THE AIR FORCE

Mr. WATTS. Mr. Chairman, I am John A. Watts, Director of Civilian Personnel, Department of the Air Force. On behalf of the Department of Defense, I want to thank the committee for this opportunity to present the Department's view on H.R. 10695. I am accompanied today by other representatives of the Department of Defense.

Before proceeding with the bill itself, I would like to call your attention to a sectional analysis of the bill which was prepared by the Department of Defense.

Senator YARBOROUGH. Without objection, the document will be made a part of the record.

(The sectional analysis of H.R. 10695 follows:)

SECTIONAL ANALYSIS OF H.R. 10695

A BILL To provide for the rotation in oversea assignments of civilian employees under the Defense Establishment having career-conditional and career appointments in the competitive service, and for other purposes

Section 1 amends chapter 81 of title 10, United States Code, by adding a new section 1586 providing for the rotation of career-conditional and career employees assigned to duty outside the United States, as follows:

Subsection (a) declares that it is the policy of Congress to promote the interchange of civilian employees of the Department of Defense between posts of duty inside and outside the United States through the establishment and operation of rotation programs for employees assigned outside the United States. The term "United States" means the States and the District of Columbia, as defined in 10 U.S.C. 101(1).

Subsection (b) authorizes the Secretary of Defense and the Secretary of each military department to prescribe regulations establishing rotation programs which grant to certain employees the right to return to a position in the United States. These regulations are without regard to any other provision of law, and those issued by the Secretary of Defense govern the rights of employees of the Department of Defense other than employees of a military department, while those of the Secretary of a military department concern civilian employees of his department. The right to return to a position in the United States is restricted to employees who while serving under a career-conditional or career appointment are requested by the department concerned to accept an assignment outside the United States. To be eligible to exercise this right to return placement, the employee must (1) satisfactorily complete his oversea assignment, and (2) make application for placement in his former position not later than 30 days after completing that assignment. Regulations prescribed under this subsection may provide for the waiver of either or both of these requirements.

Subsection (c) prescribes that an employee eligible under subsection (b) shall be placed not later than 30 days after the date he is determined to be avail-

able, in a position in the United States. Such placement is without loss in the seniority, status, or tenure which the employee had immediately before his assignment outside the United States.

Clause (1) provides that if the position held by an employee immediately before his assignment outside the United States is still in existence at the time of his return, he will be returned to that position. This represents a minimum guaranteed right and does not preclude his placement in a vacant position at a higher grade if such a vacancy exists. It anticipates that the position held by an employee immediately before his assignment outside the United States will be identified and earmarked for him to return to upon completion of his duty outside the United States. If, during his tour outside the United States, there has been a functional transfer involving his former position, he has return rights to the current location of the function. In the interim, an employee appointed, promoted, or reassigned to that position has the same status and retention standing that he would have if assigned to any continuing position, except that he would be informed of the right of the employee assigned outside the United States to be returned to it. The former incumbent who is eligible under subsection (b) may be returned to the position displacing any current incumbent, even though the employee displaced has greater retention preference under the civil service regulations issued to carry out section 12 of the act of June 27, 1944 (5 U.S.C. 861). The displaced employee will be reassigned or separated in accordance with subsection (e).

Clause (2) provides that if a returning employee cannot be placed under clause (1) because his former position has been abolished during his absence, he will be placed in a vacant existing position, or a new continuing position, for which he is qualified. This position must be in the same geographical area, with equal rights and benefits, and at the same or equal grade, as the position which he held immediately before his assignment to a position outside the United States. Although this gives a minimum right to the returning employee, it does not preclude his placement in a vacant position at a higher grade in the same or different geographical area. With the consent of the returning employee, placement in accordance with this clause is also authorized in a situation where clause (1) would otherwise be applicable.

Clause (3) prescribes the procedure for placing the returning employee when placement under clause (1) or (2) is not possible. If his former position does not exist or there is no appropriate vacancy, the returning employee will be placed in a position specially established for this purpose as an additional position in the same geographical area and in a grade or level that is not lower than the position he held before his assignment outside the United States. He may be assigned to that position for a period of not more than 90 days to allow the department concerned additional time to place him in a continuing position. Even though this assignment is temporary, he will have the same rights and benefits he would have if he had been initially assigned on his return to a continuing position.

Clause (4) provides that if an appropriate vacancy occurs during the 90-day period in the same geographical area and one for which the returning employee is qualified, he shall be placed in it. This absolute placement right is to a vacant position which is at the same grade and which carries the same rights and benefits as the last position the employee held before his assignment outside the United States. As in the case of clauses (2) and (3), this represents a minimum right and does not preclude his placement in a higher grade.

Clause (5) provides that if the employee cannot be placed in a vacancy before the expiration of the 90-day period, the temporary position will be abolished and the employee reassigned or separated in accordance with reduction-in-force procedures.

Clause (6) authorizes placement in another geographical area in accordance with the procedures prescribed by clauses (2), (3), and (4), if, at the time the employee is available for return, placement in the geographical area of his former position is not possible because, during his assignment outside the United States, there has been a significant change in the mission of his former employing activity, or the activity has been closed.

Subsection (d) provides that placement under clause (1), (2), (3), (4), or (6) of subsection (c) entitles the employee to at least the basic compensation to which he would have been entitled if he had not been assigned outside the United States. In other words, he will be given at least the salary adjustments

or salary increases that he would have received had he remained in his position in the United States.

Subsection (e) covers an employee displaced by an employee who is returned to his former position.

Clause (1) provides that an employee displaced by one who is returned to his former position under subsection (c) (1) shall be placed immediately in any appropriate vacancy for which he is qualified. The vacancy will be considered appropriate if it is in the same geographical area, with equal rights and benefits, and at the same or equal grade, as the position from which he is displaced. His placement in such a position will be without reduction in seniority, status, or tenure, and at a rate of basic compensation not less than that to which he was entitled in the position from which displaced.

Clause (2) provides that if a displaced employee cannot be placed in a vacant position under clause (1), he will be reassigned to another position or separated under reduction-in-force regulations. In the application of reduction-in-force procedures under this clause, an employee who has just returned from duty outside the United States and who has been placed in his former position under subsection (c) (1) does not compete. In other words, the returning employee has an absolute right to his former position, without regard to the retention standing of the employee he displaces.

Subsection (f) authorizes the President to extend the rights and benefits provided under this bill to employees assigned to duty in Alaska or Hawaii if he determines that such action is in the national interest.

Subsection (g) defines "rotation" and "grade" for purposes of the bill.

Section 2 is a technical provision to add a new item to the analysis of chapter 81 of title 10, United States Code, to reflect the new section added by section 1.

Mr. WATTS. Historically, the Department of Defense has encouraged the interchange of competent civilian employees between overseas and stateside activities. Experience in the military departments has demonstrated the need for filling key civilian positions overseas, especially high-level supervisory positions, with personnel familiar with stateside operations. In addition, the overseas responsibilities of the military departments make it highly desirable that many key civilian positions within the United States be staffed with personnel who have had overseas experience. Both objectives can be satisfied by first inducing personnel experienced in the operation of the military department concerned to accept overseas assignment and then by insuring that they are properly placed in a stateside position in that department upon completion of the overseas tour.

In attempting to accomplish these objectives, however, the military departments have concluded that large numbers of our best qualified employees and those most needed overseas cannot be motivated to accept such assignments without a minimum statutory guarantee of return to a position comparable to and in the same geographic area as the position which they last held in the United States. Quite naturally, well-qualified career employees want assurance of continuation of their career opportunities.

ACTION TAKEN WITHIN CURRENT AGENCY AUTHORITY

Regulatory return rights

The Departments of Army, Navy, and Air Force have attempted to solve this problem administratively. Each has a regulation designed to return the employee accepting an overseas assignment to the last position held in the United States or to the best possible assignment that can be made under civil service laws and regulations. For example, under Air Force regulations, unless an appropriate vacancy is available when the employee returns, he is considered as returned

to his previous position (even though it is occupied), and reduction-in-force procedures are applied. However, unless his retention standing is higher than that of other employees with whom he must compete, he cannot be reassigned to a position at the grade level which he left or even at an acceptable lower grade. Thus, the employee may either suffer a severe financial loss or have no job at all. In addition, there is always the possibility that actions based on administrative regulations not specifically supported by statute may be reversed in the event of appeal to the courts.

Placement assistance

The "return rights" regulations have been supplemented by various plans for placement assistance designed to place returning employees in vacant positions at military installations in the United States. Although these plans have been an integral part of our placement programs and have received continued attention and top-level support, the results have not been adequate to meet the need. This is particularly true when cutbacks are taking place in the United States and vacant positions are often canceled as a means of reaching reduced employment levels.

NEED FOR LEGISLATION

In spite of the attention given to this problem and the solutions attempted within administrative authorities, it has become increasingly difficult to operate an interchange program between stateside and oversea installations. If rotation plans are to be effective, legislative authority is needed to guarantee placement upon completion of an oversea tour for the following reasons:

1. The "return rights" that can be provided under agency regulations do not assure placement.
2. Studies have established that lack of a return placement guarantee is the main reason many of our best qualified employees decline offers of reassignment overseas.
3. As precedent, the Congress has already provided statutory re-employment rights for certain employees who accept oversea assignment outside the Department of Defense.

I should like to comment briefly on each of these points.

First. The return rights provided under agency regulations fall far short of a true guarantee of placement upon completion of the oversea tour. Since it is impossible to predict how an employee's retention standing will compare with the other employees with whom he must compete in reduction in force at the time of his return from overseas, it is impossible to assure him before he leaves that he will have a job at his former employing installation when he completes his oversea tour. This is grossly unfair to the status employee who voluntarily accepts an oversea assignment as a part of his Federal career.

Although the problem has been the subject of extended studies, an adequate solution has not been found within current statutory authorities. Prior to developing a legislative proposal, numerous discussions were held with the Civil Service Commission concerning the problem and its possible solution. The practices of other agencies having oversea activities were reviewed and various alternative plans considered. At the conclusion of this study, representatives of DOD and the Commission agreed that all of the possible plans considered

failed to meet the needs of the Department of Defense. It was the consensus that within the framework of existing statutory authority the military departments cannot develop interchange programs which are administratively feasible and at the same time provide employees with adequate assurance of continuous employment.

Second. Under current operations our best qualified employees are frequently unwilling to go overseas and the lack of a return placement guarantee is the main reason for their declinations. This was demonstrated within the Air Force when our largest bureau, the Air Materiel Command, was confronted with a major staffing problem abroad. To meet this problem, it devised and put into operation a formalized plan for rotating key civilians between its overseas and stateside installations. Briefly, the plan provided that critical positions overseas at the GS-11 level and above be designated "oversea rotation positions." To provide a recruitment base for these positions, corresponding positions within the United States, at the same or lower level and requiring experience similar to that required in the overseas positions were designated "support positions." Those incumbents of the support positions who had demonstrated their competence and suitability for overseas assignment were then circularized to ascertain the number who would volunteer for service overseas for 2 years with a possible 2-year extension. In spite of the top-side support given to promoting the rotation plan and the excellent job that was done in explaining its provisions to employees, on an overall basis, less than 1 out of each 10 employees occupying the designated positions were willing to accept overseas assignment. Whereas for some localities and for some positions no one in this group indicated availability.

A survey was then conducted among those who had declined to participate in the rotation plan. Employees were asked to indicate the "most important reason for declining to sign rotation agreement." Of the responses obtained from over 2,000 employees, 39 percent gave lack of guaranteed reemployment as their reason for declining. This group is more than twice as large as that indicating any other reason. The other categories were relatively small and for the most part the reasons were personal to the employee rather than related to conditions of employment.

The findings based on an Air Force-wide study were similar. An attitude survey of management personnel was conducted at all Air Force installations in the United States. It was designed to obtain objective information on which to base administrative action to assure maximum recruitment, utilization, and retention of personnel and to obtain backup data as a partial basis for support of necessary legislative proposals. A 50-percent sample of all employees in grades GS-12 and above engaged in other than scientific work was selected at random. Three items of the questionnaire related specifically to overseas recruitment. The responses obtained from 3,219 administrators are of particular interest. When asked whether, if given reemployment rights to their present job, they would accept a job with the Air Force overseas at their present grade, 36 percent replied in the affirmative; 66 percent indicated that if granted such reemployment rights, they would accept overseas employment at a higher grade. Of the group willing to go at their present grade, one out of

three gave lack of reemployment rights as the main reason why they had not previously accepted or sought overseas employment. These studies have indicated to the Air Force that enactment by the Congress of a statutory guarantee of return placement would make overseas tours attractive and feasible to a higher percentage of our best qualified employees.

Third. Under precedent legislation the Congress has already provided statutory reemployment rights for certain Federal employees assigned overseas outside the Department of Defense. For example, employees transferring from a Federal agency to Foreign Service Reserve positions have statutory reinstatement rights to the agency from which they transferred when their overseas assignments terminate. Under this same statutory authority, Federal employees who accept certain positions in foreign areas with the International Cooperation Administration are given reinstatement rights to their former employing agency. Public Law 85-795, August 1958, grants reemployment rights to Federal employees who transfer to certain international organizations. Under these statutory authorities an employee of a stateside military installation has a stronger guarantee of placement on completion of an overseas assignment in another agency than the employee who is assigned to an overseas position in his own military department.

ENACTMENT OF H.R. 10695 RECOMMENDED

Such enactment would authorize the Secretary of Defense and the Secretaries of the military departments to grant return rights to employees who accept assignment outside the United States at management's request. This right is restricted by the bill to employees who hold career and career-conditional appointments in the competitive service. It would guarantee these employees upon satisfactory completion of duty outside the United States the right to be returned to their former positions or, if such positions no longer exist, to one of at least the same grade in the same geographical area. This represents a minimum right, but does not in any way preclude their being placed in a position of a higher grade under the agency's normal placement or promotion programs. As a matter of fact, consistent with the basic objectives of the agencies' interchange and career development programs, every effort will be made to place a returning employee in a vacant position at an appropriate grade level which would make maximum use of the experience he has acquired since leaving his stateside position.

It is anticipated in carrying out the provisions of the act that the position held by the employee immediately before assignment outside the United States would be earmarked. Any employee who occupies such a position during the former incumbent's absence overseas would be informed of the right of that employee to be returned to it. When the interim incumbent is displaced by the employee returning from overseas, he will, if possible, be reassigned to a vacant position at his current grade and salary. If an appropriate vacancy does not exist, he will be reassigned under reduction-in-force procedures. If it is necessary to take reduction-in-force action, the returning employee who is exercising his right to return to his former position will not compete in that reduction in force.

In summary, I believe the proposed bill would materially aid the Department of Defense in interchanging its best qualified and experienced employees between stateside and oversea installations. I further believe that it provides an effective and equitable means of assuring the return placement in a stateside position of career employees of the Department of Defense who are willing to accept oversea assignments when they are needed for duty outside the United States. I believe this is particularly important in view of the fact that as a matter of Defense Department policy acceptance by the employee of oversea assignments has been, and it is intended will continue to be, on a voluntary basis.

Analysis of the total effect of the legislation does not indicate that it would result in any increase in overall expenditures. On the contrary, I believe it would result in significant savings through the retention of competent personnel with a consequent reduction in current costs of recruiting and training new employees.

I appreciate the opportunity to appear before this committee and will attempt to answer any questions you may have.

Senator YARBOROUGH. Mr. Watts, the measure that you refer to in your closing paragraph on cost is H.R. 10695.

Mr. WATTS. That is right, sir.

Mr. FULLER. Mr. Watts, this is a prospective bill, that is, its provisions would apply with respect to the assignment of an employee to oversea duty only after enactment.

Mr. WATTS. That is right.

Mr. FULLER. Could this situation create an inequitable situation overseas in which the military departments employ two classes of citizens, one with return rights and one without return rights?

Mr. WATTS. For a period of time a situation of that type will exist. We have employees overseas now who fall in two categories. Some of our U.S. citizens working overseas have no reemployment rights; others overseas now have administrative employment rights. This bill will create for the future a third group which have a statutory reemployment right.

In the military departments we feel that this will not be a problem because it will be solved by our vigorously setting up placement programs and over a period of time offering to those employees overseas who want to return vacant positions throughout our establishments in the United States.

There was much discussion actually of whether this bill should be retroactive. No equitable way in which this could be done was found. The present employees of the Department of Defense in the United States have been placed in their jobs with full assurance that it was a permanent promotion or a permanent appointment. They were not notified that these jobs might at some time be subject to the return of the people overseas without rights. Hence, we could not find any equitable way to ask the Congress to authorize us the authority to guarantee a job to the persons now overseas without a reemployment right.

Senator YARBOROUGH. In defending that provision of the bill, I assume that you are basing it upon the parable in the Bible that the workers in the vineyard receive the same number of talents?

Mr. WATTS. A good analogy, sir.

Senator YARBOROUGH. I have one question I would like to address to all of you here or any of the others who may have testified and are still here.

In considering the work of the Government employees overseas and those in the United States in your efficiency surveys, and I assume you make efficiency surveys, are you able to note any difference between achievement effort put forth between the employees in the United States and the same employees overseas, that is, employees of relative training and experience and capability? Is there any difference in your opinion, and if there is any difference, in which environment do they put forth the best effort, at home or abroad?

Mr. WATTS. This is a question, sir, I can answer only from my personal opinion. I know of no studies that would enable me to give you any documented answer.

Senator YARBOROUGH. What is your personal opinion, based upon observation and experience?

Mr. WATTS. I would agree with the statements previously made by Mr. Roger Jones, the Chairman of the U.S. Civil Service Commission, that for the most part the U.S. citizen working overseas in the Department of Defense is a well qualified and productive employee. From my observations, Mr. Chairman, the job overseas is a more difficult job than the job in the continental United States. This is true because in depot operations, say, in Chateauroux, France, or Tachikawa, Japan, where I have observed these operations, it is the U.S. citizen who is not only the supervisor but the trainer of the foreign national who is not trained and experienced to do the job, such as the journeyman at Kelly Air Force Base in your State, sir, is trained to do it. On the whole, the same standards exist at an overseas depot that do exist at Kelly. We have achieved the same degree of automation in the handling of supplies and in the handling of our records at Tachikawa and Chateauroux, and Kelly has, to some extent, been a pioneer particularly under Major General McMullin's tenure. Shortly after it is standardized we extend these requirements to those overseas depots. Hence, group for group, sir, from my 10 years as Director of Civilian Personnel for the Air Force, I see no material difference in the level of productivity of the two groups.

Senator YARBOROUGH. Of course the level of productivity is one of the most difficult problems we have in the Government, with 2½ million employees.

Mr. WATTS. That is right, sir.

Senator YARBOROUGH. I think among the taxpayers and the citizens who are not themselves Government employees that is the field of greatest dissatisfaction with the Government. They come to Washington, they go to Government departments on business, and they come up to Capitol Hill to see us and the common complaint is that people are not working there. I am just reporting what they say, I am not agreeing. They don't think they see the zest that they see in private offices back home. We hear that complaint constantly, that the Government is not getting the level of productivity for a day's work by people of comparable talent if people of comparable talent were put out in civilian employment.

Mr. WATTS. From my experience, sir, I disagree with those observations. I have visited a large number of private corporations

throughout the country, management in private industry is confronted with the problem of productivity just as we are in Government. In many of the industrial operations of the Army, Navy, and Air Force, we have achieved breakthroughs quite often before industrial counterparts. You will find at Kelly Air Force Base and at other of our big bases teams of industrial experts studying the new developments in technology to reduce the total number of manpower required and to obtain the handling of larger supplies and larger volume of supplies with smaller manpower.

So I think that these observations are honestly made, but when we go to check them they seem to be generalizations from a small number of cases.

In any large organization you are going to find the problem case, the individual who does at times not do the job appropriately, and if he is the one being observed and someone generalizes from his conduct, then certainly we would hope that the generalization would not be applied to all of the employees, but quite often it is, sir.

SENATOR YARBOROUGH. Of course, you know, Mr. Watts, these are not my opinions I am stating. I am merely reporting to you what the taxpayers come here and say. From your experience you would compare Government service on the basis—you would find a certain basis of comparison with people who are employed by large corporations where you have many people working for the same employer than you might in the small offices where you see someone who might work rather frantically in an effort to keep his business open from year to year?

MR. WATTS. That is right, sir.

I do not know whether my fellows in the Department of Defense are in agreement with me or not, and I would not like to preclude their chance to answer the question, sir.

SENATOR YARBOROUGH. Do you have any comment, Mr. Wheelless?

MR. WHEELLESS. I would like to say just one thing, Mr. Chairman, with respect to oversea people that I have observed. I think over the years since we have begun to use large numbers of people overseas there have been tremendous improvements in our methods of selecting the right kind of people. I believe I would compare favorably a cross-section of our oversea employees now against any cross-section of employees in the United States. We feel that steps such as are proposed in this legislation will enable us to get even better people overseas.

I also recognize the accuracy of what you say many people allege regarding Federal employees. It has been my experience, however, and I suspect and you may have found this to be true also, that many of these people speak in rather general terms and, when you ask them of certain specific people they know who work in the Government, they say that is an exception, that individual works hard. Or of you ask about some group of employees in their particular locality, they say that is an exception also, those people work hard.

Generally they make their allegations about groups of employees with whom they are not familiar rather than those who are close at home.

Mr. Mullaly may have some observations to make with respect to the Army employees overseas.

STATEMENT OF CHARLES F. MULLALY, DIRECTOR OF CIVILIAN PERSONNEL, DEPARTMENT OF THE ARMY

Mr. MULLALY. Mr. Chairman, I am taking your general point as to a Federal employee's enthusiasm for his job. I think we in Federal service—that means you and me and all who serve the Federal Government—have a little added something. I think we are motivated to do more. I think our enthusiasm is higher. Our interest in our job is higher. I believe in the Federal service at all levels we get an enthusiastic and a dedicated job of work done by nearly all employees.

I say that generally about the Army, Defense, the executive branch, and your legislative branch. We are proud of those in the public service.

We civilians who serve in support of the Army are proud of the Army and we work hard in support of it. And we are particularly proud of our people overseas because in the postwar years, as Mr. Jones and Mr. Wheelless pointed out to you, many accepted appointments without knowing how long they would be there. They were working to do a job.

Enlightened administration came along a few years later. It was determined that the mission would continue. We extended the competitive service overseas. We now have employees whose work careers are not solely in the Pentagon or at an installation in Texas or in a foreign country. We have people who work for the Army. We have them working on a career basis, and they accept varied assignments in developing their careers as Federal employees serving with the Army. They may serve in the States or they may rotate overseas. Of those people who did a good job for us overseas during the early postwar years, we have only a small number left. We are bending every effort possible to place them in positions back in the States, and we shall thank them for doing a fine job overseas. Those who did not are, in my opinion, very, very few, Mr. Chairman.

That is all, sir.

Senator YARBOROUGH. I want to ask you, as Director of Personnel, a further question, not directed to the military but to your experience with people generally. The charge is often made that we, as a people, are losing the incentive to do hard work, to do the best work that we can do, that the cabinetmaker won't put out what he formerly put out 25 years ago, that the house painter doesn't put forth the best effort, he just works the number of hours to get his hourly pay and quits, and all through the people you hear it said that the real pride of craftsmanship is lost.

A taxi driver made that complaint to me a few days ago when I was on the way to the dentist: You couldn't really get anybody who was really interested in working; they did sloppy jobs just to get the hours to pass.

As directors of personnel for your respective branches, you undoubtedly have rubbed up against this problem quite a lot. Do you have any opinion concerning the will to do good workmanship by the American people, whether you think there is any change in that over the last quarter of a century?

Mr. MULLALY. While my colleague is organizing his thoughts, I will volunteer to fill in. I believe that the rank and file of the Amer-

ican public are still dedicated and desire to do a workmanlike job in anything they tackle. I believe, however, that with the changing production trends in the past few decades it has become increasingly easy for the worker to lose personal identity with the end product.

The skilled craftsman such as the cabinetmaker took pride in his product, but you find men today who do only a piece of a job. We have to find other methods to build their enthusiasm and to build the incentive to achieve the final product. Through the techniques of industrial relations and management which we have in the Federal service, as in major industry, we try to fill that void with our human relations program. We can look you squarely in the eye and say that the folks we come in contact with are putting forth a maximum effort. We are trying also to administer these agencies of ours in a workmanlike and in an efficient manner.

Senator YARBOROUGH. You think automation has had something to do with the changing incentives that motivate people.

Mr. MULLALY. Yes, sir. I think we have to keep on the ball because when the worker loses identity with the end product, we have to provide other motivation.

Mr. WATTS. I would certainly concur with Mr. Mullaly's statement. Study in this field indicates that with the development of the assembly line in big industry in our country, and in our Army and Air Force depots, all arsenals, Navy shipyards, big industries, that the worker did lose contact with the end product.

Under the scientific management principle inaugurated by the Ford industry, following the principles of Taylorism, this did occur. Increased production was obtained under many of these systems of the scientific management field before World War I; yet they were obtained at other personnel costs. The individuals who no longer saw the end product and could take no pride in the finished job, such as the cabinetmaker could, tended to resign in larger numbers, there tended to be higher rates of absenteeism, sick leave and other problems. And, our course, we are all familiar with the time when Dr. Vannevar Bush was making a scientific management survey of an industry up in New England, and all the principles of scientific management were being followed very, very nicely but still these other personnel factors, satisfaction on the part of the employee, seemed to be lacking. He invited a sociologist, a friend of his, Dr. Elton Mayo, to see if he could study and find out why there seemed to be the lack of morale that was noted. Here was born our so-called principles of human relations under which both in industry and in government we now endeavor to develop, as Mr. Mullaly has said, various forms of recognition for employees, incentive payments, cash awards for superior performance, and other motivations.

There is on the part of the management in the Federal service a real appreciation of the job being done even though the individual working on one small part of an aircraft never sees the final result of his work.

So we do try to offset the cause of lack of pride in workmanship which you have mentioned. This is perhaps the biggest problem confronting large industry and large government in this country.

Senator YARBOROUGH. The biggest problem confronting the technological development?

Mr. WATTS. That is right, sir.

Senator YARBOROUGH. Thank you very much for your contributions here.

Mr. Campbell is our next witness.

STATEMENT OF JAMES CAMPBELL, PRESIDENT, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

Mr. CAMPBELL. For the record I am James Campbell. I am president of the American Federation of Government Employees. This is an organization which has membership among the employees of the various departments and agencies of the Government, both in the United States and overseas.

The two bills—H.R. 7758 and H.R. 10695—under consideration by this committee today are of special interest to the American Federation of Government Employees. Among these employees are members of our organization employed by the Government in Hawaii, the Panama Canal Zone, Guam, and Okinawa, as well as in various foreign countries.

The bill H.R. 7758 which passed the House last year would provide such benefits as home leave, educational and housing allowances, automobile allowances, and clarification of existing authorities for payment or reimbursement for transportation or storage of personal property of employees assigned to foreign duty. It would continue and consolidate for all departments and agencies a hardship post differential not to exceed 25 percent of basic compensation.

The bill H.R. 10695 has beneficial implications for both employees and management by providing for rotation in overseas assignments of civilian employees of the Defense Establishment between posts of duty in the United States and abroad. This bill was passed by the House in recent weeks.

Both bills would stimulate recruitment of persons for duty overseas. It is important that the U.S. Government have the services of trained, experienced, and efficient personnel in distant lands as well as here at home.

Employees who accept this overseas duty in all fairness should not be called upon to undergo hardships or financial loss which could be lessened or prevented by thoughtful action on the part of the Government they are serving. Our members who accept this duty have told us of the disadvantages they have experienced, and it is with their comments in mind that we are urging this committee to act favorably on these two bills.

Employment of U.S. citizens in large numbers outside this country was a development of World War II, and continued thereafter not only in the Foreign Service of the State Department but in other agencies of Government as well.

In January 1960, 50,638 U.S. citizens were employed by all agencies in foreign countries and in the American territories and possessions. Those in foreign countries to whom these bills apply numbered 33,445 distributed among the larger agencies as follows:

Department of Defense.....	20, 816
Department of State.....	10, 141
U.S. Information Agency.....	1, 123
All other departments and agencies.....	1, 365
Total.....	33, 445

The bill H.R. 7758 contains recommendations of the House Post Office and Civil Service Committee in 1956 formulated after 4 years of extensive hearings, conferences, and studies in cooperation with the personnel adviser to the President, the Civil Service Commission, General Accounting Office, the Department of Defense, Department of State, as well as other agencies having oversea responsibilities.

The general purpose of this legislation is to clarify and strengthen the statutes and regulations affecting the working and living conditions of U.S. citizens employed overseas.

The significance of this bill is aptly described in this comment by the committee in reporting the measure to the House:

The importance of sound and effective personnel policies in the conduct of overseas programs and of the Government is well recognized. U.S. citizens assigned to oversea civilian posts are responsible for an important part of the duties necessary to the success of our military and economic commitments in foreign countries * * *. The effectiveness of their performance—and consequently, the accomplished results of entire programs—are directly related to the facilities which the Government places in their hands to aid them in carrying out their assigned tasks.

This proposed legislation would afford needed improvement in certain allowances and differentials applicable to duty in foreign areas. Title II comprises a consolidation of existing provisions with additional authorizations for the payment of allowances and differentials. There is new authority for payment of a temporary lodging allowance for a period not to exceed 1 month immediately before final departure of an employee from an oversea post as well as for reimbursement of reasonable expenses incurred for initial repairs, alterations, and improvements to make substandard living quarters habitable.

Where an employee must maintain a separate establishment for his dependents away from his post of duty, but not necessarily outside the country of assignment, the bill would grant a separate maintenance allowance. Another desirable feature is the consolidation for all departments and agencies of existing authority to pay a hardship post differential not exceeding 25 percent of basic compensation.

Attention is called to the need for upward revision generally of the cost-of-living differentials established to prevent economic hardship as it is proposed to compensate the employee for undesirable environmental conditions.

There is also needed consolidation and clarification of existing authorities for all departments and agencies to pay for or reimburse employees for transportation or storage of personal property when assigned to oversea duties. Authority for transporting the privately owned motor vehicle of an employee to his oversea post would be extended to employees of all departments and agencies whereas it is presently applicable only to those subject to the Foreign Service Act of 1946 or related legislation.

One of the most attractive features of the bill is its extension to employees of all departments and agencies of authority to grant home leave, not exceeding 1 week for each 4 months of service. This would be granted to an employee who completes 24 months of continuous service abroad. Heretofore, such an arrangement was available only to employees covered by the Foreign Service Act or related enactments.

Also in title IV is the extension of certain provisions of the Annual and Sick Leave Act of 1951. Under terms of this bill a maximum accumulation of 45 days of annual leave is authorized for persons directly recruited or transferred by the Federal Government from the United States, the Commonwealth of Puerto Rico, or U.S. possessions, or who are employed under varying circumstances in a foreign area, as well as persons discharged from the Armed Forces.

Liberalization of home leave is closely related to the primary objective of this bill; namely, to enable the Government to recruit and retain the services of the personnel it needs in foreign areas. Some persons accept these foreign assignments because of their interest in travel abroad, but they are reluctant to remain away from family or friends back home for protracted periods.

Section 303(f) of the Annual and Sick Leave Act of 1951, as amended, provides home leave for Foreign Service employees without stipulation that it will be dependent on regulations yet to be issued. The grant of home leave in H.R. 7758 should be similarly worded. This change may be accomplished by omitting the words "in accordance with regulations of the President." In other respects the bill is designed to achieve uniformity of treatment. Home leave should be no exception.

Further amendment of the bill is suggested to apply the provisions of home leave to all Federal employees serving in the Panama Canal Zone.

The bill H.R. 10695 supplements the objective of H.R. 7758 to establish a coordinated and uniform system of more nearly adequate compensation of Government employees for the added cost, hardship, and inconvenience of living abroad. It would accomplish this additional purpose of providing for rotation in oversea assignments of civilian employees of the Defense Establishment. Such a program would be a distinct advantage to employees and management. The benefit to management arises from its encouragement of the interchange of civilian employees between posts of duty in the United States and in other countries.

Employees of the Departments of the Army, Navy, or Air Force presently may not be given assurance upon departing for foreign assignments that they can return to the same jobs they left in the United States. The law and regulations do not permit such assurance, and the only way it can be supplied is by positive legislative action.

It is evident that amendment of existing law to remove the uncertainty of reassignment in the United States is in the interest of national security. The bill would make available to the defense agencies in posts outside the country for more than one tour of duty. Such unwillingness is understandable if the employee can be given no assurance that he can return home to the same position or its equivalent.

The bill treats the problem as one of national defense. This is both logical and practical, for it emphasizes the compelling need for this legislation. Analysis of employment overseas reveals the scope of this measure from the standpoint of personnel affected. Of the 23,304 U.S. citizens employed by all agencies other than the State Department in January 1960, 20,816, or 89 percent, were employees of

the Defense Establishment. The Foreign Service Act provides similar benefits for State Department employees.

The bill is so drafted that the right to return to a position in the United States is restricted to employees who are requested by the Department concerned to accept an assignment outside the United States. This restriction assures the application of exceptions in present law to employees whom a military department needs in foreign areas. The procedure which the bill would permit would not merely serve the convenience of the individual.

Another feature of the bill which safeguards the public interest is that an employee must satisfactorily complete his oversea assignment to exercise the right of placement upon his return to this country. Therefore, an employee may benefit from this legislation only if he has performed his duties efficiently.

An employee also would be required to apply for placement in his former position within 30 days from the date of completing his foreign assignment. Again, the individual would not be permitted to suit his convenience rather than the best interests of the Government. The restrictions provided, however, could be waived upon a showing of personal necessity.

If this bill is enacted, it would provide ample protection to the Government as well as benefit the employee accepting an overseas assignment. He would be enabled to go abroad knowing that he had a job to which he could return. This assurance would encourage more employees to accept foreign duty, and in this way the Defense Establishment would have available a greater number of employees who are well qualified for such assignments.

The terms of reassignment would be clarified in the procedure provided. The position which an employee leaves could be clearly identified as the one to which he can return if he so desires. At the same time the employee who is assigned to the position vacated may be clearly informed that his incumbency is predicated upon the employee in an overseas assignment exercising his right to return to that position which he formerly held.

The primary purpose of this bill is to relieve the presently acute problem of recruiting desirable personnel for foreign duty. The number of days required for such recruitment in the Departments of the Army, Navy, and Air Force now averages from 100 to 134. Reduction of this period is vital for reasons of economy and improved administration.

The bill would accomplish these management objectives while protecting the rights and personal welfare of the individual employee. If the position formerly held has been abolished while an employee is serving overseas, he may be placed in another existing position or in a new position for which he is qualified. The position must be in the same geographical area with equal rights and benefits, and the classification must be equal to that of the position vacated.

If the position held prior to foreign duty no longer exists or if there is no appropriate position available, the returning employee can be placed for 90 days in a position established for his benefit. He may be reassigned or separated under reduction-in-force procedure, if all possibility of placement fails. If an employee is of

sufficient value to his agency to be sent overseas it is difficult to visualize his separation upon his return to the States.

Both the bills H.R. 7758 and H.R. 10695 would contribute substantially to the improvement of the administration of overseas activities of the Government, to use the words of the title of the former measure.

It is desirable to establish a uniform system of dealing with employees who go abroad in Federal service. Equality of treatment is fundamental to good personnel administration. The fact that uniformity will be provided in H.R. 7758, and that recruitment of the best qualified persons of the Defense Department for overseas duty will be enhanced by H.R. 10695 sufficiently commend both those measures to early consideration and approval by this committee.

In closing, we desire to express our appreciation to the chairman and members of this committee for receiving our comment on these bills.

Senator YARBOROUGH. Thank you, Mr. Campbell, for your statement.

Mr. Campbell, how many employees belong to your federation?

Mr. CAMPBELL. Slightly over 65,000.

Senator YARBOROUGH. In serving them as their president, you, of course, are familiar with their attitudes and their whole outlook toward their work.

Mr. CAMPBELL. They keep us fully informed about their attitudes, Mr. Chairman.

Senator YARBOROUGH. From your experience, do you think the people who serve the Government have as much incentive as those in private employment or equal incentive or more incentive?

Mr. CAMPBELL. Mr. Chairman, the problem of incentive is a serious one and it is a difficult one in the Government. It is more difficult to provide incentive in the Government than it is in private industry. I think there exists in the Government an incentive to do a good job that does not exist in private industry in that people who work for the Government have the feeling that they are serving the people of the United States, and this is something that has great value.

I think much more could be done, Mr. Chairman, in providing incentive in Government, and I do not mean in providing awards of various kinds.

I don't think that enough has been done, for example, to sell the agency which the employee is working for on the importance of his contribution.

I think that management could do a great deal more in convincing the rank-and-file employee that he is not just hammering a typewriter or he is not just shuffling papers; what he is doing has a direct relationship to the end product and that every job, if it is necessary, is important.

If it is not necessary, it should not exist.

Senator YARBOROUGH. Then you think Government management could do more to instill pride in every Government employee, the task that he is working on, in that he is a part of the Government itself, the highest art that the human race is working on?

Mr. CAMPBELL. Yes, Mr. Chairman. In the April issue of the Reader's Digest there was an article that was entitled "The Navy's Problem Solvers."

It was an article about certain accomplishments of the Naval Research Laboratory. There were a number of these specific accomplishments related in this article, and I felt so good about it myself, having formerly served in the Navy, that I had the Reader's Digest make 500 reprints of that article, and I sent copies of it to each one of our Navy lodges. I sent several copies to Admiral Cronin, who is the industrial relations officer, and the commanding officer of the Naval Research Laboratory, and I did that because I asked them to make all the employees acquainted with this article about these great accomplishments of the Naval Research Laboratory because I felt it would make every employee of the Navy Department feel more proud in being there knowing of this wonderful work that is being done. They can work day after day, year after year without anybody telling them about it. I think it is management's job to sell them on the accomplishments that are there.

These agencies and departments of the Government do marvelous work, but there are a great many employees who do not know it. If they did know it, they would put more zest into their work, would have more pride in their job, would go out and tell their friends and their associates about the wonderful place in which they work.

That is the line of incentive that I think is lacking that more could be done about.

Senator YARBOROUGH. Thank you, very much, for your statement and for this discussion on the broader problem here, too.

Mr. Vaux Owen, president, National Federation of Federal Employees, has submitted a statement that will be received and printed as part of the record.

(The statement follows:)

STATEMENT OF VAUX OWEN, PRESIDENT, NATIONAL FEDERATION OF FEDERAL EMPLOYEES

Mr. Chairman and members of the committee, I am Vaux Owen, president of the National Federation of Federal Employees.

The NFFE has among its members a very substantial number of employees who are stationed overseas in the service of the Federal Government of the United States.

I wish to express on their behalf, and on behalf of the NFFE as a whole, our strong endorsement of H.R. 7758 and 10695.

Both of these measures contain progressive and indeed essential provisions designed not only to benefit oversea employees but also to increase in a very positive way the efficient and effectiveness of the oversea activities of the Federal Government.

In this connection, Mr. Chairman, I should like to make a general observation.

It is apparent that in the present state of the world the oversea operations of the Federal Government will be with us for many years to come. It is literally impossible to overestimate their importance from the standpoint of the national security.

It is clear that no employees bear greater or more significant responsibilities than those who are employed in the various and farflung establishments maintained by our Government worldwide.

Thus, it is imperative for the Government to be able to both secure and to retain the best qualified employees for the many and varied tasks which are an integral part of our oversea operations.

H.R. 7758, which passed the House of Representatives on September 8, 1959, represents the end result of a very long and detailed study by qualified authorities who have been concerned with the whole problem of Federal oversea employment. It deals in what the National Federation of Federal Employees believes to be a constructive way with such questions as housing, hospitalization, travel, leave, transportation of vehicles, and the like. The measure is generally known as "the oversea fringe benefits bill."

In our opinion this legislation gives long overdue recognition to the special nature of the work of oversea employees, local environmental conditions, the distances from the continental United States, and other factors having a direct bearing on the ability of the Federal Government to recruit and retain qualified personnel.

The need for action such as that contemplated by this bill long has been apparent. It has been the subject of numerous resolutions adopted unanimously by successive national conventions of the National Federation of Federal Employees. It has been of deep and continuing concern to personnel and other officials of those departments and agencies affected. There has been a remarkable unanimity of opinion that action is essential, now, and that this bill, while perhaps not perfect in all respects, does represent a long step forward and should be enacted without delay. Certainly its enactment would be to the best interest of all concerned.

Turning now to H.R. 10695, it is to be noted that this measure also has broad support and passed the House of Representatives on April 19, 1960.

The National Federation of Federal Employees desires to express support for those provisions of the bill which are designed to give greater job protection to employees of the Department of Defense who will be assigned overseas on and after the effective date of the enactment of the bill.

We call attention especially to those provisions of the measure which provide for the job placement in the United States, and in the same geographical area from which they were recruited, of employees who will be rotated back to the United States from abroad. In the event no suitable vacancy exists, the bill provides for the granting of a 90-day period in full pay status in which to secure the prescribed placement.

It is clear that these provisions of the bill are essential both as a matter of justice and equity to the employees involved and from the standpoint of sound personnel policy for the Department of Defense. We would like to see these provisions extended to cover present employees of the Department also.

In connection with this legislation the National Federation of Federal Employees wishes to emphasize that it would strongly oppose any effort to utilize any other provisions of the bill as a possible means of pressuring Department of Defense employees into accepting oversea assignments against their will. We understand, however, that this has not been the Department's policy in the past and that it has no intention of altering that policy now or in the foreseeable future.

I should like at this time to make a general observation with respect to the broad question of rotation in the oversea assignment of Federal employees.

It is true that the Department of Defense has, and indeed should have, such authority. It also is true that too much mobility in oversea assignments can be as self-defeating and as inimical to the security of the Nation as too little mobility.

It should not be overlooked that in the final analysis there is no real substitute for experience and training on the job. There is no adequate substitute for that special understanding which comes from an intimate knowledge of and direct day-by-day contact with conditions in a given area. For this reason arbitrary rotation policies could be highly detrimental to the accomplishment of the mission of the Department of Defense—and hazardous to the security of the Nation.

Moreover, personnel authorities recognize that there is a vital morale factor involved in the voluntary willingness of Federal employees to assume the special responsibilities and conditions of oversea assignments.

Mr. Chairman, we strongly urge this committee to report both of these measures favorably. We hope that this action will be taken soon so that both bills may receive final approval of the Congress before the adjournment of this session. I appreciate the opportunity of appearing before the committee.

Senator YARBOROUGH. I thank all the witnesses here for the information that they have furnished.

I must say that of all the evidence that I have heard the most surprising was this contained in yours, Mr. Campbell, over on page 2, that there are 50,638 U.S. citizens employed by all agencies in foreign countries and in the American territories and possessions.

I am surprised at the small number. The American employees overseas make a great impression on the tourists who go overseas and students who go overseas.

They come back with the idea that the American employees are so large in numbers that they are just all over the countries. They are just running out of the ears of the foreign countries.

I think that is a very small number for the terrific amount of work being done overseas.

MR. CAMPBELL. Relatively few people for the job that is being done.

SENATOR YARBOROUGH. I think a very responsible job is being done overseas in those branches.

Thank you all for your contribution here.

The meeting is adjourned.

(Whereupon, at 4:40 p.m., the committee was adjourned.)

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LEGISLATIVE HISTORY

Public Law 86-707

H. R. 7758

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INDEX AND SUMMARY OF H. R. 7758

Jun. 16, 1959	Rep. Morrison introduced H. R. 7758 which was referred to House Post Office and Civil Service Committee. Print of bill as introduced.
Jul. 16, 1959	House committee voted to report (but did not actually report) H. R. 7758. (Daily Digest)
Aug. 14, 1959	House committee reported H. R. 7758 with amendments. H. Report No. 902. Print of bill and report.
Sept. 7, 1959	House debated H. R. 7758.
Sept. 8, 1959	House passed H. R. 7758 under suspension of rules.
Sept. 9, 1959	H. R. 7758 was referred to Senate Post Office and Civil Service Committee. Print of bill as referred.
Jun. 15, 1960	Senate committee voted to report (but did not actually report) H. R. 7758.
Jun. 22, 1960	Senate committee reported H. R. 7758 with amendments. S. Report No. 1647. Print of bill and report.
Jun. 28, 1960	Senate passed over H. R. 7758.
Jul. 2, 1960	Senate passed H. R. 7758 as reported.
Aug. 26, 1960	House agreed to Senate amendments to H. R. 7758.
Sept. 6, 1960	Approved: Public Law 86-707.

DIGEST OF PUBLIC LAW 86-707

OVERSEAS DIFFERENTIALS AND ALLOWANCES ACT. Provides uniformity of treatment for all overseas employees of Federal agencies (both foreign affairs and non-foreign-affairs agencies) to the extent justified by relative conditions of employment, including the following provisions: continues present authority to provide overseas quarters; authorizes payment of temporary lodging allowance upon first arrival at new-post of duty and at the end of a tour of duty; authorizes advance payment of all allowances; continues authority to pay post allowances to compensate for living costs higher than in Washington, D. C.; continues authority to pay a transfer allowance upon an employee's assignment to duty at any post in a foreign area and at a post in the U.S. between foreign assignments; authorizes certain allowances to cover additional costs for the education of dependents of employees abroad; continues authority to pay a post differential not to exceed 25 percent of basic compensation, based on adverse conditions of environment; eliminates the 8,750-pound maximum limitation on crated shipments of household effects, and retains the net-weight maximum allowance of 7,000 pounds; authorizes the accumulation of a maximum of 45 days of annual leave by employees stationed abroad; authorizes home-leave privileges for employees after 24 months of service abroad; and continues the exemption of allowances (but not differential) from income tax.

86TH CONGRESS
1ST SESSION

H. R. 7758

IN THE HOUSE OF REPRESENTATIVES

JUNE 16, 1959

Mr. MORRISON introduced the following bill; which was referred to the Committee on Post Office and Civil Service

A BILL

To improve the administration of overseas activities of the Government of the United States, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Overseas Differentials and
4 Allowances Act".

5 TITLE I—PURPOSE AND DEFINITIONS

6 PART A—PURPOSE

7 SEC. 101. The Congress hereby declares that it is the
8 purpose of this Act to improve and strengthen the adminis-
9 tration of overseas activities of the Government by—

10 (1) providing a means for more effectively com-
11 pensating Government employees for the extra costs and
12 hardships incident to their assignments overseas,

1 (2) providing for the uniform treatment of Gov-
2 ernment employees stationed overseas to the extent
3 justified by relative conditions of employment,

4 (3) establishing the basis for the more efficient and
5 equitable administration of the laws compensating Gov-
6 ernment employees for the extra costs and hardships
7 incident to their assignments overseas, and

8 (4) facilitating for the Government the recruit-
9 ment and retention of the best qualified personnel for
10 civilian service overseas.

11 PART B—DEFINITIONS

12 SEC. 111. As used in this title, title II, and section
13 522 of title V, the term—

14 (1) “Government” means the Government of the
15 United States of America;

16 (2) “Government agency” means (A) each executive
17 department of the Government, (B) each independent estab-
18 lishment or agency in the executive branch of the Govern-
19 ment, including each corporation wholly owned (either
20 directly or through one or more corporations) by the Gov-
21 ernment, and (C) the General Accounting Office;

22 (3) “Employee” means an individual employed in the
23 civilian service of a Government agency and more specifi-
24 cally defined in regulations prescribed by the President, but
25 including ambassadors, ministers, and officers of the For-

1 eign Service of the United States under the Department of
2 State;

3 (4) "United States", when used in a geographical sense,
4 means the several States of the United States of America
5 and the District of Columbia;

6 (5) "Continental United States" means the several
7 States of the United States of America, excluding Alaska
8 and Hawaii but including the District of Columbia; and

9 (6) "Foreign area" means any area (including the
10 Trust Territory of the Pacific Islands) situated outside the
11 United States, the Commonwealth of Puerto Rico, the Canal
12 Zone, and the possessions of the United States.

13 TITLE II—ALLOWANCES AND DIFFERENTIALS
14 IN FOREIGN AREAS

15 PART A—GENERAL PROVISIONS

16 SEC. 201. Notwithstanding section 1765 of the Revised
17 Statutes (5 U.S.C. 70), the allowances and differentials
18 provided by this title are authorized for and may be granted
19 only to an employee officially stationed in a foreign area
20 unless otherwise provided in this title—

21 (1) who is a citizen of the United States, and

22 (2) whose rate of basic compensation is fixed by
23 statute or, without taking into consideration the allow-
24 ances and differentials provided by this title, is fixed by
25 administrative action pursuant to law or is fixed

1 administratively in conformity with rates paid by the
2 Government for work of a comparable level of difficulty
3 and responsibility in the continental United States,
4 except that such allowances and differentials may be paid to
5 an employee officially stationed in a foreign area who is not
6 a citizen of the United States to the extent that the payment
7 of such allowances and differentials to such non-citizen em-
8 ployee is authorized by any provision of law other than this
9 title.

10 SEC. 202. Allowances granted under this title may be
11 paid in advance, or advance of funds may be made therefor,
12 through the proper disbursing officer in such sums as may
13 be deemed advisable in consideration of the need and the
14 period of time during which expenditures must be made in
15 advance by the employee or employees. Any advance of
16 funds not subsequently covered by allowances accrued to
17 the employee or employees under this title shall be recover-
18 able by the Government by setoff against accrued salary,
19 pay, compensation, amount of retirement credit, or other
20 amount due from the Government to such employee or
21 employees and by such other method as may be provided by
22 law for the recovery of amounts owing to the Government.

23 SEC. 203. The allowances and differentials authorized
24 by this title shall be paid in accordance with regulations
25 prescribed by the President establishing rules governing pay-

1 ments thereof and the respective rates at which such pay-
2 ments shall be made, the foreign areas, the groups of posi-
3 tions, and the categories of employees to which such rates
4 shall apply, and other related matters.

5 PART B—QUARTERS ALLOWANCES

6 SEC. 211. Whenever Government-owned or Govern-
7 ment-rented quarters are not provided without charge for
8 an employee in a foreign area, one or more of the following
9 quarters allowances may be granted to such employee where
10 applicable:

11 (1) A temporary lodging allowance for the reason-
12 able cost of temporary quarters incurred by the employee
13 and his family (A) for a period not in excess of three
14 months after first arrival at a new post of assignment in a
15 foreign area or a period ending with the occupation of resi-
16 dence quarters, whichever shall be shorter, and (B) for a
17 period of not more than one month immediately preceding
18 final departure from the post subsequent to the necessary
19 evacuation of residence quarters;

20 (2) A living quarters allowance for rent, heat, light,
21 fuel, gas, electricity, and water, without regard to the limi-
22 tations of section 3648 of the Revised Statutes, as amended
23 (31 U.S.C. 529) ; and

24 (3) Under unusual circumstances payment or reim-
25 bursement for extraordinary, necessary, and reasonable ex-

1 penses, not otherwise compensated for, incurred in initial re-
2 pairs, alterations, and improvements to an employee's
3 privately leased residence at a post of assignment in a foreign
4 area, if such expenses are administratively approved in ad-
5 vance and if the duration and terms of the lease justify
6 payment of such expenses by the Government.

7 PART C—COST-OF-LIVING ALLOWANCES

8 SEC. 221. The following cost-of-living allowances may
9 be granted, where applicable, to an employee in a foreign
10 area:

11 (1) A post allowance to offset the difference between
12 the cost of living at the post of assignment of the employee
13 in a foreign area and the cost of living in Washington, Dis-
14 trict of Columbia;

15 (2) A transfer allowance for extraordinary, necessary,
16 and reasonable expenses, not otherwise compensated for,
17 incurred by an employee incident to establishing himself at
18 any post of assignment in a foreign area or at a post of
19 assignment in the United States between assignments to
20 posts in foreign areas;

21 (3) A separate maintenance allowance to assist an em-
22 ployee who is compelled, by reason of dangerous, notably
23 unhealthful, or excessively adverse living conditions at his
24 post of assignment in a foreign area or for the convenience
25 of the Government, to meet the additional expense of main-

1 taining, elsewhere than at such post, his wife or his de-
2 pendants, or both;

3 (4) An education allowance or payment of transporta-
4 tion costs to assist an employee with the extraordinary and
5 necessary expenses, not otherwise compensated for, incurred
6 by reason of his service in any foreign area or foreign areas
7 in providing adequate education for his dependents, as
8 follows:

9 (A) An allowance not to exceed the cost of obtain-
10 ing such elementary and secondary educational services as
11 are ordinarily provided without charge by the public schools
12 in the United States, plus, in those cases where adequate
13 schools are not available at the employee's post, board and
14 room, and periodic transportation between such post and
15 the nearest locality, where adequate schools are available,
16 without regard to the limitations of section 3648 of the
17 Revised Statutes, as amended (31 U.S.C. 529) ; but the
18 amount of the allowance granted shall be determined on the
19 basis of the educational facility used;

20 (B) The cost of transporting dependents of an em-
21 ployee to and from a school in the United States to obtain
22 an American secondary or undergraduate college education,
23 not to exceed one trip each way for each dependent for the
24 purpose of obtaining each type of education; but no allow-
25 ance payments under subparagraph (A) of this paragraph

1 (4) shall be made for any dependent during the twelve
2 months following his arrival in the United States for sec-
3 ondary education pursuant to authority contained in this
4 subparagraph (B). Notwithstanding section 111(6) of
5 this Act, transportation, for the purpose of obtaining under-
6 graduate college education, may be authorized under this
7 subparagraph (B), under such regulations as the President
8 may prescribe, for dependents of employees who are citizens
9 of the United States stationed in the Canal Zone.

10 PART D—POST DIFFERENTIAL

11 SEC. 231. A post differential may be granted on the
12 basis of conditions of environment which differ substantially
13 from conditions of environment in the continental United
14 States and warrant additional compensation as a recruit-
15 ment and retention incentive. Such differential also may be
16 granted to any employee who is officially stationed in the
17 United States and who is on extended detail in a foreign area.
18 Additional compensation paid as a post differential shall not
19 in any instance exceed 25 per centum of the rate of basic
20 compensation.

21 TITLE III—MISCELLANEOUS EXPENSES

22 PART A—REPRESENTATION EXPENSES

23 SEC. 301. The Administrative Expenses Act of 1946
24 (60 Stat. 806), as amended, is amended by adding at the
25 end thereof the following new section:

1 “SEC. 22. Under such regulations as the President may
2 prescribe, funds available to the departments for administra-
3 tive expenses may be allotted to posts in foreign countries
4 and to resident missions to international organizations for
5 representation purposes in the promotion of official policies
6 and programs.”

7 PART B—STORAGE

8 SEC. 311. (a) Paragraphs (4) and (5) of section 911
9 of the Foreign Service Act of 1946 (22 U.S.C. 1136 (4)
10 and (5)) are amended to read as follows:

11 “(4) the cost of packing and unpacking, transport-
12 ing to and from a place of storage, and storing the
13 furniture and household and personal effects of an officer
14 or employee of the Service, when he is absent from his
15 post of assignment under orders, or when he is as-
16 signed to a post to which he cannot take or at which
17 he is unable to use such furniture and household and
18 personal effects, or when it is in the public interest or
19 more economical to authorize storage; but in no instance
20 shall the weight or volume of the effects stored together
21 with the weight or volume of the effects transported
22 exceed the maximum limitations fixed by regulations,
23 when not otherwise fixed by law;

24 “(5) the cost of packing and unpacking, transport-

1 ing to and from a place of storage, and storing the
2 furniture and household and personal effects of an officer
3 or employee of the Service in connection with assign-
4 ment or transfer to a new post, from the date of his
5 departure from his last post or from the date of his
6 departure from his place of residence in the case of a
7 new officer or employee and for not to exceed three
8 months after arrival at the new post, or until the
9 establishment of residence quarters, whichever shall be
10 shorter; and, in connection with separation of an officer
11 or employee of the Service, the cost of packing and un-
12 packing, transporting to and from a place of storage, and
13 storing for a period not to exceed three months, his
14 furniture and household and personal effects; but in no
15 instance shall the weight or volume of the effects stored
16 together with the weight or volume of the effects trans-
17 ported exceed the maximum limitations fixed by regu-
18 lations, when not otherwise fixed by law.”

19 (b) Paragraphs (1) (D) and (E) of section 4 of the
20 Central Intelligence Agency Act of 1949 (63 Stat. 209,
21 72 Stat. 337; 50 U.S.C. 403e (a) (1) (D) and (E)) are
22 amended to read as follows:

23 “(D) pay the cost of packing and unpacking,
24 transporting to and from a place of storage, and storing
25 the furniture and household and personal effects of an

1 officer or employee of the Agency, when he is absent
2 from his post of assignment under orders, or when he is
3 assigned to a post to which he cannot take or at which
4 he is unable to use such furniture and household and
5 personal effects, or when it is in the public interest or
6 more economical to authorize storage; but in no instance
7 shall the weight or volume of the effects stored together
8 with the weight or volume of the effects transported
9 exceed the maximum limitations fixed by regulations,
10 when not otherwise fixed by law;

11 “(E) pay the cost of packing and unpacking, trans-
12 porting to and from a place of storage, and storing the
13 furniture and household and personal effects of an officer
14 or employee of the Agency in connection with assign-
15 ment or transfer to a new post, from the date of his de-
16 parture from his last post or from the date of his de-
17 parture from his place of residence in the case of a
18 new officer or employee and for not to exceed three
19 months after arrival at the new post, or until the es-
20 tablishment of residence quarters, whichever shall be
21 shorter; and in connection with separation of an officer
22 or employee of the Agency, the cost of packing and
23 unpacking, transporting to and from a place of storage,
24 and storing for a period not to exceed three months, his
25 furniture and household and personal effects; but in no

1 instance shall the weight or volume of the effects stored
2 together with the weight or volume of the effects trans-
3 ported exceed the maximum limitations fixed by regu-
4 lations, when not otherwise fixed by law.”

5 (c) The first section of the Administrative Expenses
6 Act of 1946 (60 Stat. 806), as amended (5 U.S.C. 73b-1),
7 is amended—

8 (1) by striking out “(not to exceed seven thousand
9 pounds if uncrated or eight thousand seven hundred and
10 fifty pounds if crated or the equivalent thereof when
11 transportation charges are based on cubic measure-
12 ment)” in subsection (a) of such section and inserting
13 in lieu thereof “(not to exceed seven thousand pounds
14 net weight)”; and

15 (2) by adding at the end of such section the follow-
16 ing new subsection:

17 “(e) Whenever any civilian officer or employee (in-
18 cluding any new appointee in accordance with section 7 of
19 this Act) is assigned to a permanent duty station outside the
20 continental United States to which he cannot take or at
21 which he is unable to use his household goods and personal
22 effects or whenever the head of the department concerned
23 authorizes storage of any such property in the public interest
24 or for reasons of economy, storage expenses (including re-
25 lated transportation and other expenses) may be allowed

1 such officer or employee in accordance with regulations pre-
2 scribed by the President; but in no instance shall the weight
3 of the property stored under this subsection, together with
4 the weight of property transported under subsection (a), ex-
5 ceed the maximum weight limitation provided by subsection
6 (a).”

7 (d) The term “furniture and household and personal
8 effects”, as used in the amendments made by this part to
9 the Foreign Service Act of 1946, as amended, and the Cen-
10 tral Intelligence Agency Act of 1949, as amended, and the
11 term “household goods and personal effects”, as used in the
12 amendments made by this part to the Administrative Ex-
13 penses Act of 1946, as amended, mean such personal prop-
14 erty of an employee and the dependents of such employee
15 as the Secretary of State and the Director of Central Intelli-
16 gence, as the case may be, with respect to the term “furni-
17 ture and household and personal effects”, and the President,
18 with respect to the term “household goods and personal
19 effects”, shall by regulation authorize to be transported or
20 stored under the amendments made by this part to such Acts
21 (including, in emergencies, motor vehicles authorized to be
22 shipped at Government expense). Such motor vehicles shall
23 be excluded from the weight and volume limitations pre-
24 scribed by the laws set forth in this part.

1 PART C—OFFICIAL RESIDENCE EXPENSES

2 SEC. 321. (a) The Administrative Expenses Act of
3 1946 (60 Stat. 806), as amended, is amended by adding
4 thereto, immediately following the new section 22 added to
5 such Act by section 301 of this Act, the following new
6 section:

7 “SEC. 23. Under such regulations as the President may
8 prescribe, funds available to the departments for admin-
9 istrative expenses may be allotted to posts in foreign coun-
10 tries for the purpose of defraying the unusual expenses inci-
11 dent to the operation and maintenance of official residences
12 suitable for the chief representatives of the United States at
13 such posts and such other senior officials of this Government
14 in foreign countries as the President may designate.”

15 (b) Section 8 of the United Nations Participation Act
16 of 1945, as amended (22 U.S.C. 287e), is amended by
17 striking out “and the allotment of funds, similar to the
18 allotment authorized by section 902 of the Foreign Service
19 Act of 1946, for unusual expenses incident to the operation
20 and maintenance of such living quarters, to be accounted for
21 in accordance with section 903 of said Act;” and inserting in
22 lieu thereof “and unusual expenses similar to those authorized
23 by section 23 of the Administrative Expenses Act of 1946,
24 as amended by section 321 of the Overseas Differentials and

1 Allowances Act, incident to the operation and maintenance
2 of such living quarters;”.

3 PART D—TRANSPORTATION OF MOTOR VEHICLES

4 SEC. 331. The first section of the Administrative Ex-
5 penses Act of 1946 (60 Stat. 806), as amended (5 U.S.C.
6 73b-1), is amended by adding thereto, immediately follow-
7 ing the new subsection (e) added to such first section by
8 section 311 (c) of this Act, the following new subsection:

9 “(f) Under such regulations as the President may pre-
10 scribe, the privately owned motor vehicle of any employee
11 (including any new appointee, in accordance with section
12 7 of this Act) assigned to a post of duty outside the conti-
13 nental United States on other than temporary duty orders
14 may be transported to, from, and between the continental
15 United States and such post of duty, or between posts of
16 duty outside the continental United States, whenever it is
17 determined by the head of the department concerned to be
18 in the interest of the Government for such employee to have
19 the use of a motor vehicle at his post of duty. Not more
20 than one motor vehicle of any employee may be transported
21 under authority of this subsection during any four-year pe-
22 riod, except that, as a replacement for such motor vehicle,
23 one additional motor vehicle of any employee may be so
24 transported during such period upon approval, in advance,

1 by the head of the department concerned and upon a deter-
2 mination, in advance, by such department head that such
3 replacement is necessary for reasons beyond the control of
4 the employee and is in the interest of the Government. After
5 the expiration of a period of four years following the date
6 of transportation under authority of this subsection of a
7 privately owned motor vehicle of any employee who has
8 remained in continuous service outside the continental United
9 States during such period, the transportation of a replace-
10 ment for such motor vehicle for such employee may be
11 authorized, in accordance with this subsection, by the head of
12 the department concerned. The head of each department
13 may, in accordance with this subsection, authorize the trans-
14 portation of privately owned motor vehicles of employees
15 of such department, assigned to duty outside the continental
16 United States, by commercial means if available at reason-
17 able rates and under reasonable conditions or by Govern-
18 ment means on a space-available basis. This subsection shall
19 not apply to the Foreign Service of the United States under
20 the Department of State and to the Central Intelligence
21 Agency but shall not affect the authority contained in sec-
22 tion 913 of the Foreign Service Act of 1946 (60 Stat.
23 1027; 22 U.S.C. 1138) or paragraph (4) of section 4
24 of the Central Intelligence Agency Act of 1949 (63 Stat.
25 210, 72 Stat. 337; 50 U.S.C. 403e (a) (4)).”

1 SEC. 332. Section 913 of the Foreign Service Act of
2 1946 (60 Stat. 1027; 22 U.S.C. 1138) is amended to read
3 as follows:

4 “TRANSPORTATION OF MOTOR VEHICLES

5 “SEC. 913. The Secretary may, notwithstanding the
6 provisions of any other law, transport for or on behalf of an
7 officer or employee of the Service, a privately owned motor
8 vehicle in any case in which he shall determine that water,
9 rail, or air transportation of the motor vehicle is necessary
10 or expedient for all or any part of the distance between
11 points of origin and destination. Not more than one motor
12 vehicle of any such officer or employee may be transported
13 under authority of this section during any four-year period,
14 except that, as a replacement for such motor vehicle, one
15 additional motor vehicle of any such officer or employee may
16 be so transported during such period upon approval, in ad-
17 vance, by the Secretary and upon a determination, in advance,
18 by the Secretary that such replacement is necessary for
19 reasons beyond the control of the officer or employee and
20 is in the interest of the Government. After the expiration
21 of a period of four years following the date of transportation
22 under authority of this section of a privately owned motor
23 vehicle of any officer or employee who has remained in
24 continuous service outside the continental United States (ex-
25 cluding Alaska and Hawaii) during such period, the trans-

1 portation of a replacement for such motor vehicle for such
2 officer or employee may be authorized by the Secretary in
3 accordance with this section."

4 SEC. 333. (a) That part of section 4 (a) of the Cen-
5 tral Intelligence Agency Act of 1949, as amended (63 Stat.
6 209, 73 Stat. 337; 50 U.S.C. 403e), which precedes para-
7 graph (1) thereof, is amended—

8 (1) by striking out "(a)"; and

9 (2) by striking out "permanent-duty stations out-
10 side the continental United States, its territories, and
11 possessions," and inserting in lieu thereof "duty stations
12 outside the several States of the United States of Ameri-
13 ca, excluding Alaska and Hawaii, but including the
14 District of Columbia,".

15 (b) Paragraph (4) of section 4 of the Central Intelli-
16 gency Agency Act of 1949, as amended (63 Stat. 210, 73
17 Stat. 337; 50 U.S.C. 403e (a) (4)), is amended to read
18 as follows:

19 "(4) Notwithstanding the provisions of any other
20 law, transport for or on behalf of an officer or employee
21 of the Agency, a privately owned motor vehicle in any
22 case in which it shall be determined that water, rail, or
23 air transportation of the motor vehicle is necessary or
24 expedient for all or any part of the distance between
25 points of origin and destination, and pay the costs of

1 such transportation. Not more than one motor vehicle
2 of any officer or employee of the Agency may be trans-
3 ported under authority of this paragraph during any
4 four-year period, except that, as a replacement for such
5 motor vehicle, one additional motor vehicle of any such
6 officer or employee may be so transported during such
7 period upon approval, in advance, by the Director and
8 upon a determination, in advance, by the Director that
9 such replacement is necessary for reasons beyond the
10 control of the officer or employee and is in the interest
11 of the Government. After the expiration of a period of
12 four years following the date of transportation under au-
13 thority of this paragraph of a privately owned motor
14 vehicle of any officer or employee who has remained in
15 continuous service outside the several States of the
16 United States of America, excluding Alaska and Hawaii,
17 but including the District of Columbia, during such pe-
18 riod, the transportation of a replacement for such motor
19 vehicle for such officer or employee may be authorized
20 by the Director in accordance with this paragraph."

21 TITLE IV—AMENDMENTS TO ANNUAL AND SICK

22 LEAVE ACT OF 1951

23 SEC. 401. Subsections (d), (e), and (f) of section 203
24 of the Annual and Sick Leave Act of 1951, as amended

1 (5 U.S.C. 2062 (d), (e), and (f)), are amended to
2 read as follows:

3 “(d) Notwithstanding the provisions of subsection (c),
4 a maximum accumulation not to exceed forty-five days at
5 the beginning of the first complete biweekly pay period, or
6 corresponding pay period in the case of an officer or em-
7 ployee who is not paid on the basis of biweekly pay periods,
8 in any year is authorized for the following categories of em-
9 ployees of the Federal Government stationed outside the
10 United States:

11 “(1) Persons directly recruited or transferred by the
12 Federal Government (A) from the United States, or (B)
13 from the Commonwealth of Puerto Rico or the possessions
14 of the United States for employment outside the area of re-
15 cruitment or from which transferred.

16 “(2) Persons employed locally but (A) (i) who were
17 originally recruited from the United States, or from the
18 Commonwealth of Puerto Rico or the possessions of the
19 United States but outside the area of employment, (ii) who
20 have been in substantially continuous employment by other
21 Federal agencies, United States firms, interests or organiza-
22 tions, international organizations in which the United States
23 Government participates, or foreign governments, and (iii)
24 whose conditions of employment provide for their return
25 transportation to the United States or the Commonwealth of

1 Puerto Rico or the possessions of the United States, or
2 (B) (i) who were at the time of employment temporarily
3 absent, for the purpose of travel or formal study, from the
4 United States, or from their respective places of residence in
5 the Commonwealth of Puerto Rico or the possessions of the
6 United States and (ii) who, during such temporary absence,
7 have maintained residence in the United States or in the Com-
8 monwealth of Puerto Rico or the possessions of the United
9 States but outside the area of employment.

10 “(3) Persons who are not normally residents of the
11 area concerned and who are discharged from service in the
12 Armed Forces of the United States to accept employment
13 with an agency of the Federal Government.

14 “(e) The leave granted pursuant to this title shall be
15 exclusive of the time actually and necessarily occupied in
16 going to and from the post of duty and exclusive of such
17 time as may be necessarily occupied in awaiting transporta-
18 tion, in the case of an officer or employee (1) who is within
19 the purview of subsection (d) of this section, (2) whose
20 post of duty is outside the United States, and (3) who
21 returns on leave to the United States, or to his place of
22 residence, which is outside the area of employment, in the
23 Commonwealth of Puerto Rico or the possessions of the
24 United States. The provisions of this subsection shall not

1 apply to more than one period of leave in a prescribed tour
2 of duty at a post outside the United States.

3 “(f) Upon completion of twenty-four months of
4 continuous service outside the United States, officers
5 and employees may be granted, in accordance with regula-
6 tions of the President, leave of absence at a rate not to
7 exceed one week for each four months of such service
8 without regard to any other leave provided by this title, for
9 use in the United States, or, if their respective places of
10 residence are outside the area of employment, in the Com-
11 monwealth of Puerto Rico or the possessions of the United
12 States. Such leave so granted may be accumulated for
13 future use without regard to the limitation in subsection
14 (d) of this section but no such leave shall be made the
15 basis for any terminal leave or for any lump-sum payment.”

16 SEC. 402. (a) Section 202 (b) (2) of the Annual and
17 Sick Leave Act of 1951, as amended (5 U.S.C. 2061 (b)
18 (2)), is amended to read as follows:

19 “(2) This title, except section 203 (g), shall not apply
20 to alien employees who occupy positions outside the United
21 States.”

22 (b) Section 203 (g) of such Act, as amended (5 U.S.C.
23 2062 (g)), is amended by striking out “the several States and
24 the District of Columbia” and inserting in lieu thereof “the
25 United States”.

1 (c) Section 202 of such Act, as amended (5 U.S.C.
2 2061), is amended by adding at the end of such section
3 the following new subsection:

4 “(d) As used in this title, the term ‘United States’
5 means the several States of the United States of America
6 and the District of Columbia.”

7 SEC. 403. The amendments made by this title to the
8 Annual and Sick Leave Act of 1951, as amended, shall take
9 effect on the first day of the first pay period following the
10 date of enactment of this Act.

11 TITLE V—APPROPRIATION, REPEAL, AMENDA-
12 TORY, AND MISCELLANEOUS PROVISIONS

13 PART A—APPROPRIATION PROVISIONS

14 SEC. 501. (a) There are hereby authorized to be ap-
15 propriated such sums as may be necessary to carry out the
16 purposes of this Act and the amendments made by this Act.

17 (b) Appropriations or funds otherwise available, for
18 the fiscal year ending June 30, 1960, to any department,
19 agency, establishment or corporation of the Government of
20 the United States of America within the purview of this
21 Act or of any amendment made by this Act are hereby made
22 available for the purposes of this Act and of any such
23 amendment in accordance with the authority contained in
24 this Act or contained in any law amended by this Act and

1 in accordance with such regulations as the President may
2 prescribe.

3 PART B—REPEAL AND AMENDATORY PROVISIONS

4 SEC. 511. (a) The following provisions of law are
5 hereby repealed:

6 (1) Sections 443, 901, 902, 903, and 911 (9) of the
7 Foreign Service Act of 1946, as amended (60 Stat. 1006,
8 1025, and 1026; 69 Stat. 27; 22 U.S.C. 888, 1131, 1132,
9 1133, and 1136 (9)) ;

10 (2) Sections 2 (b) , 13, and 14 of the Act entitled “An
11 Act to provide certain basic authority for the Department
12 of State”, approved August 1, 1956 (70 Stat. 890, 892;
13 Public Law 885, Eighty-fourth Congress; 5 U.S.C. 170g
14 (b) , 170r, and 170s) ; and

15 (3) Sections 1 (d) and 4 (b) of the Central Intelli-
16 gence Agency Act of 1949, as amended (63 Stat. 208 and
17 211; 50 U.S.C. 403a (d) and 403e (b)) .

18 (b) Any provision of law which is not repealed by sub-
19 section (a) of this section but is inconsistent with any pro-
20 vision of this Act or of any amendment made by this Act
21 shall be held and considered to be amended, modified, or
22 superseded to the extent necessary to carry out the purposes
23 of and conform to such provision of this Act or of such
24 amendment.

25 (c) (1) Section 1 (c) of the Central Intelligence
26 Agency Act of 1949 (63 Stat. 208; 50 U.S.C. 403a (c))

1 is amended by striking out "Government; and" and insert-
2 ing in lieu thereof "Government."

3 (2) Paragraph (1) (A) of section 4 of the Central
4 Intelligence Agency Act of 1949, as amended (63 Stat. 209;
5 72 Stat. 337; 50 U.S.C. 403e (a) (1) (A)), is amended to
6 read as follows:

7 " (1) (A) pay the travel expenses of officers and
8 employees of the Agency, including expenses incurred
9 while traveling pursuant to authorized home leave;".

10 (3) Paragraph (3) (A) of section 4 of such Act (63
11 Stat. 209 and 210; 72 Stat. 337; 50 U.S.C. 403e (a) (3)
12 (A)) is amended to read as follows:

13 " (3) (A) Order to any of the several States of
14 the United States of America (including the District of
15 Columbia, the Commonwealth of Puerto Rico, and any
16 territory or possession of the United States) on leave
17 of absence each officer or employee of the Agency who
18 was a resident of the United States (as described above)
19 at time of employment, upon completion of two years'
20 continuous service abroad, or as soon as possible there-
21 after."

22 (4) Paragraph (3) (B) of section 4 of such Act (63
23 Stat. 210; 72 Stat. 337; 50 U.S.C. 403e (a) (3) (B)) is
24 amended to read as follows:

25 " (B) While in the United States (as described in

1 paragraph (3) (A) of this section) on leave, the service
2 of any officer or employee shall be available for work or
3 duties in the Agency or elsewhere as the Director may
4 prescribe; and the time of such work or duty shall not be
5 counted as leave.”

6 (5) Paragraph (3) (C) of section 4 of such Act (63
7 Stat. 210; 72 Stat. 337; 50 U.S.C. 403e (a) (3) (C)) is
8 amended to read as follows:

9 “(C) Where an officer or employee on leave returns
10 to the United States (as described in paragraph (3) (A)
11 of this section), leave of absence granted shall be ex-
12 clusive of the time actually and necessarily occupied in
13 going to and from the United States (as so described)
14 and such time as may be necessarily occupied in awaiting
15 transportation.”

16 (6) The Act entitled “An Act to provide living quarters,
17 including heat, fuel, and light, for civilian officers and em-
18 ployees of the Government stationed in foreign countries”,
19 approved June 26, 1930 (46 Stat. 818; Public Law 445,
20 Seventy-first Congress; 5 U.S.C. 118a), is amended—

21 (A) by striking out “and, where such quarters are
22 not available, may be granted an allowance for living
23 quarters, including heat, fuel, and light, notwithstanding
24 the provisions of section 1765 of the Revised Statutes
25 (U.S.C., title 5, sec. 70)”; and

1 (B) by striking out that part of the first proviso of
2 such Act of June 26, 1930, which reads "or allowances
3 in lieu thereof".

4 PART C—MISCELLANEOUS PROVISIONS

5 SEC. 521. Whenever reference is made in any other
6 law or in any regulation to any provision of law which is re-
7 pealed, modified, amended, or superseded by reason of sec-
8 tion 511 of this Act, such reference, unless inconsistent
9 with this Act, shall be held and considered to refer to this
10 Act or the appropriate provision of, or amendment made by,
11 this Act.

12 SEC. 522. Notwithstanding any provision of this Act
13 and until such time as regulations are issued under this
14 Act, employees shall continue to be paid allowances and dif-
15 ferentials in accordance with rules and regulations issued pur-
16 suant to the laws in effect immediately prior to the enactment
17 of this Act and such rules and regulations may be amended
18 or revoked in accordance with the provisions of such laws.

19 SEC. 523. (a) Section 912 of the Internal Revenue
20 Code of 1954 (relating to exemption for certain allowances)
21 is amended to read as follows:

22 "SEC. 912. EXEMPTIONS FOR CERTAIN ALLOWANCES.

23 "The following items shall not be included in gross in-
24 come, and shall be exempt from taxation under this subtitle:

25 "(1) FOREIGN AREAS ALLOWANCES.—In the case

1 of civilian officers and employees of the Government of
2 the United States, amounts received as allowances or
3 otherwise (but not amounts received as post differen-
4 tials) under—

5 “(A) title IX of the Foreign Service Act of
6 1946, as amended (22 U.S.C., sec. 1131 and
7 following),

8 “(B) section 4 of the Central Intelligence
9 Agency Act of 1949, as amended (50 U.S.C., sec.
10 403e),

11 “(C) title II of the Overseas Differentials and
12 Allowances Act, or

13 “(D) subsection (a), (e), or (f) of the first
14 section of the Administrative Expenses Act of 1946,
15 as amended, or section 22 or 23 of such Act.

16 “(2) COST-OF-LIVING ALLOWANCES.—In the case
17 of civilian officers or employees of the Government of
18 the United States stationed outside the continental
19 United States (other than Alaska), amounts (other than
20 amounts received under title II of the Overseas Differen-
21 tials and Allowances Act) received as cost-of-living
22 allowances in accordance with regulations approved by
23 the President.

24 “(3) EXPENSES OF TRAVEL AND TRANSPORTA-
25 TION.—In the case of civilian officers and employees of

1 the Government of the United States, amounts received
2 as expenses of travel and transportation, or costs of
3 transportation provided in lieu thereof, from posts of
4 duty outside the continental United States (other than
5 Alaska), to and from their respective places of residence,
6 authorized by section 7 of the Administrative Expenses
7 Act of 1946, as amended (5 U.S.C., sec. 73b-3).''

8 (b) Paragraphs (1) and (2) of section 912 of the
9 Internal Revenue Code of 1954, as amended by subsec-
10 tion (a) of this section, shall apply only with respect to
11 amounts received on or after the date of the enactment of
12 this Act in taxable years ending on or after such date. Para-
13 graph (3) of section 912 of the Internal Revenue Code of
14 1954, as amended by subsection (a) of this section, shall
15 apply only with respect to amounts received after Decem-
16 ber 31, 1958, in taxable years ending after such date.

A BILL

To improve the administration of overseas activities of the Government of the United States, and for other purposes.

By Mr. MORRISON

JUNE 16, 1959

Referred to the Committee on Post Office and Civil Service

July 16, 1959

hearings, and S. 600, relative to establishment of an Office of Administrative Practice. p. 12323

12. LEGISLATIVE PROGRAM. Sen. Johnson announced that a vote will be taken Tues., July 21, on S. 1138, the veterans' loan and training bill. p. 12372

HOUSE

13. TRAVEL. The Government Operations Committee reported with amendment H. R. 5196, to increase the maximum rates of per diem allowance for Government employees traveling on official business (H. Rept. 683). p. 12439

14. PUBLIC WORKS. Passed as reported H. R. 7634, to authorize the construction, repair, and preservation of certain public works on rivers and harbors for navigation and flood control. pp. 12388-98

15. DEFENSE APPROPRIATION BILL FOR 1960. Agreed to a conference on this bill, H. R. 7454. Conferees were appointed. Senate conferees have already been appointed. p. 12386

16. ACCOUNTING. Concurred in the Senate amendment to H. R. 6134, to amend the Federal Employees Pay Act to eliminate the authority to charge to certain current appropriations or allotments the gross amount of the salary earnings of Federal employees for certain pay periods occurring in part in previous fiscal years. Also adopted an amendment to the Senate amendment offered by Rep. Murray to provide for an effective date of the Senate amendment which relates to the assignment of former Members of Congress to certain within grade steps (presently Members of Congress must start in the first step of the pay grade and this amendment allows Members to start in higher steps). pp. 12398-9

17. ATOMIC ENERGY APPROPRIATIONS FOR 1960. Authorized the Appropriations Committee to have until midnight today (July 17) to report this bill. p. 12386

18. CREDIT UNIONS. The "Daily Digest" states that the Banking and Currency Committee voted to report (but did not actually report) a clean bill in lieu of H. R. 5777, relating to Federal credit unions. p. D620

19. PERSONNEL. The "Daily Digest" states that the Post Office and Civil Service Committee voted to report (but did not actually report) H. R. 7758, to provide increased benefits to Government personnel stationed in a foreign area relating to cost of living allowances, storage and transportation expenses, sick and annual leave, and other provisions. p. D620

20. FOREIGN AFFAIRS. The Banking and Currency Committee reported with amendment H. R. 7072, to provide the participation of the United States in the Inter-American Development Bank (H. Rept. 678). p. 12439

21. LEGISLATIVE OVERSIGHT. Rep. Harris discussed some of the activities of the Special Subcommittee on Legislative Oversight concerning the investigation of certain rules, regulations, and administrative actions of several regulatory agencies and stated that the Subcommittee has had to concentrate its investigations to six agencies including the Federal Power Commission, Federal Trade Commission, and Interstate Commerce Commission. pp. 12414-7

22. INFLATION; INTEREST RATES. Rep. Reuss and others discussed interest rates, inflation, the public debt, and the Federal Reserve. pp. 12429-33, 12435-6

23. MUTUAL SECURITY. The "Daily Digest" states that conferees met in executive session to resolve the differences between the House and Senate passed versions of H. R. 7500, the mutual security authorization bill for 1959, but came to no conclusion thereon and will meet today (July 17). p. D621
24. LEGISLATIVE PROGRAM. Rep. McCormack stated that next week the Consent Calendar would be called on Mon. and that there would be several suspensions including H. R. 968, the Vale Federal reclamation project, Ore., and H. R. 804, the Spokane Valley Federal reclamation project, that on Tues. the Private Calendar and the Atomic Energy appropriation bill would be considered, that conference reports could be brought up at any time, and that action of the mutual security appropriation bill would commence after the President signs the authorization bill. p. 12388
25. ADJOURNED until Mon., July 20. p. 12438

ITEMS IN APPENDIX

26. SURPLUS COMMODITIES. Sen. Humphrey inserted his recent address, "How to Win the Economic Cold War," in which he stated that "we must put our agricultural abundance to good use ...," and "there is something wrong when a nation stores food in caves while millions of people go unfed," and recommended an extension and expansion of Public Law 480. pp. A6143-4
27. RECLAMATION. Sen. Curtis inserted Interior Secretary Seaton's address discussing the reclamation programs and accomplishment of the administration. pp. A6144-5
Extension of remarks of Rep. Gubser quoting excerpts from various articles on the proposed Trinity River project. p. A6180
28. FAMILY FARM. Extension of remarks of Rep. Van Zandt commending and inserting an article, "Will the Family Farm Fade Out of the American Scene?" pp. A6152-3
29. SEED. Extension of remarks of Rep. Mumma inserting an address by Charles B. Mills, American Seed Trade Ass'n, discussing the benefits received from extensive research by the seed industry. pp. A6158-9
30. WATER RESOURCES. Extension of remarks of Rep. Aspinall inserting an address by the Director of the Office of Saline Water, "Unlocking a New Water Supply." pp. A6161-2
Rep. Blatnik inserted the report of the committee on industrial water use, pollution abatement, etc. pp. A6162-4
Rep. Rogers inserted various resolutions adopted by the Nat'l Rivers and Harbors Congress. pp. A6170-1
31. ELECTRIFICATION. Extension of remarks of Rep. Jensen objecting to certain alleged criticisms of him by Clyde T. Ellis, and stating that "for years Mr. Ellis has attempted to smear me in the minds of REA members." pp. A6166-7
32. FOOD-FOR-PEACE. Extension of remarks of Reps. Cunningham and Wolf inserting editorials favoring the proposed food-for-peace plans. pp. A6161-2
33. FARM PROGRAM. Extension of remarks of Rep. Stubblefield inserting an article, "Shift of Public Opinion Against Farmer Will Not Help Agriculture." p. A6173

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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For actions of August 14, 1959
86th-1st, No. 139

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HIGHLIGHTS: House agreed to conference report on public works appropriation bill. House voted to insist on disagreement to Senate amendment to independent offices appropriation bill.

HOUSE

1. PUBLIC WORKS APPROPRIATION BILL, 1960. Agreed to the conference report on this bill, H. R. 7509 (including funds for the Corps of Engineers, certain agencies of the Department of the Interior, and TVA), and acted on amendments in disagreement (pp. 14547-52). Concurred in Senate amendments providing that \$550,000 of the funds for the Corps of Engineers, and \$200,000 of the funds for the Bureau of Reclamation, shall be transferred to the Fish and Wildlife Service for studies to provide that wildlife conservation shall receive equal consideration and be coordinated with other features of water-resource development programs of those agencies (p. 14552).
2. INDEPENDENT OFFICES APPROPRIATION BILL, 1960. By a vote of 241 to 166, insisted on its disagreement to a Senate amendment to this bill, H. R. 7040, which would increase from \$10 million to \$25 million the amount for Federal contributions to the States for civil defense purposes on a matching basis (pp. 14541-7). This action sends the bill to the Senate for further consideration of the amendment in disagreement.
3. LEGISLATIVE APPROPRIATION BILL, 1960. Received the conference report on this bill, H. R. 7453 (H. Rept. 905). pp. 14531-2, 14558

4. FISH AND WILDLIFE. A subcommittee of the Merchant Marine and Fisheries Committee voted to report H. R. 5813, to authorize the Department of the Interior to undertake continuing studies of the effects of insecticides, herbicides, fungicides, and other pesticides upon fish and wildlife. p. D769
5. TEXTILES; FOREIGN TRADE. The Ways and Means Committee reported with amendment H. R. 2886, to suspend the import duties on certain classifications of spun silk yarn (H. Rept. 897). p. 14558
6. PERSONNEL. The Post Office and Civil Service Committee reported with amendments H. R. 7758, to provide increased benefits to Government personnel stationed in a foreign area relative to cost of living allowances, storage and transportation expenses, sick and annual leave, and other purposes (H. Rept. 902). p. 14558
7. WATER RESOURCES. The Public Works Committee reported without amendment S. 300, to provide for the establishment of a study commission for the Guadalupe-San Antonio River Basins, Texas (H. Rept. 906). p. 14558
8. SMALL BUSINESS. A subcommittee of the Banking and Currency Committee voted to report H. R. 8599, to amend the Small Business Act so as to increase the revolving fund of the Small Business Administration from \$900,000,000 to \$1,100,000,000. p. D769
9. TEXTILES. Rep. Lane urged the enactment of legislation to permit the sale of CCC surplus cotton to textile mills at reduced prices. pp. 14555-6
10. RESEARCH; FISH AND WILDLIFE. A subcommittee of the Merchant Marine and Fisheries Committee voted to report H. R. 5814, to permit the Fish and Wildlife Service and other agencies of Interior to enter into cooperative agreements with other Federal agencies, colleges and universities, States and nonprofit organizations to conduct cooperative research on fish and wildlife. p. D769
11. LEGISLATIVE PROGRAM. Rep. McCormack announced the following legislative program: Mon.: Consent Calendar; H. R. 8409, extend International Wheat Agreement; H. R. 8284, amendments to National Science Foundation Act; H. R. 6904, establish Advisory Commission on Intergovernmental Relations; and H. R. 5068, regulation of freight forwarders; Tues: Private Calendar; H. R. 1341, safety standards for Government passenger vehicles. p. 14541
12. ADJOURNED until Mon., Aug. 17. p. 14558

ITEMS IN APPENDIX

13. FOREIGN AID. Extension of remarks of Rep. Burke inserting two editorials opposing the withholding of information concerning the foreign aid programs and stating that "the adamant refusal of the President to allow an accounting to be had of foreign aid funds is a shocking abuse of Executive privilege." p. A7028
14. FARM PROGRAM. Rep. Kee inserted her newsletter listing legislation which she believes should be enacted before adjournment. p. A7039
15. IMPORTS. Extension of remarks of Rep. Simpson discussing the impact of import competition on the Nation's economy and inserting an article on this subject. p. A7040

OVERSEAS DIFFERENTIALS AND ALLOWANCES ACT

AUGUST 14, 1959.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. MORRISON, from the Committee on Post Office and Civil Service, submitted the following

REPORT

[To accompany H.R. 7758]

The Committee on Post Office and Civil Service, to whom was referred the bill (H.R. 7758) to improve the administration of overseas activities of the Government of the United States, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

AMENDMENTS

The amendments are as follows:

- (1) Page 2, line 21, strike out "and (C) the General Accounting Office;" and insert in lieu thereof "(C) the General Accounting Office, and (D) the Library of Congress;"
- (2) Page 28, line 13, strike out "(a), (e), or (f)" and insert in lieu thereof "(e) or (f)";
- (3) Page 28, line 23, insert double quotation marks after the period at the end thereof;
- (4) Page 28, strike out line 24 and all that follows down through the period and quotation marks in line 7 on page 29;
- (5) Page 29, line 12, strike out "Para-" and all that follows down through the period in line 16.

PURPOSE OF AMENDMENTS

Amendment No. (1) extends the definition of "Government agency" contained in section 111(2) of the bill to cover the Library of Congress. As a result of this amendment, employees of the Library of Congress will be eligible for the allowances and differentials in foreign areas provided by title II of the bill. This amendment will assist the Library of Congress in connection with the foreign acquisitions pro-

gram of the Library and certain other activities of the Library in foreign areas such as activities under section 104(n) of the Agricultural Trade Development and Assistance Act of 1954 as amended by the Act of September 6, 1958 (Public Law 85-931). It may be observed that the employees of the Library of Congress also will receive the benefits of the amendments made by titles III and IV of the bill to the Administrative Expenses Act of 1946 and the Annual and Sick Leave Act of 1951.

Amendment No. (2) eliminates a reference to subsection (a) of the first section of the Administrative Expenses Act of 1946 contained in section 912 of the Internal Revenue Code of 1954 as proposed to be amended by the bill. This reference is unnecessary in view of an existing ruling of the Department of the Treasury.

Amendment No. (3), which is a technical amendment, inserts double quotation marks at an appropriate place in the bill.

Amendment No. (4) eliminates from section 912 of the Internal Revenue Code of 1954 as proposed to be amended by the bill the exemption from tax with respect to certain travel expenses proposed by the bill as introduced.

Amendment No. (5) eliminates a provision relating to the application of paragraph (3) of section 912 of the Internal Revenue Code of 1954 as proposed to be amended by section 523(a) of the bill. The matter is covered by the discussion in the Explanation of the Bill, as Reported, of such section 912 as amended by the bill.

STATEMENT

PURPOSE OF H.R. 7758

The purpose of H.R. 7758, as set forth in section 101, is to improve and strengthen the administration of overseas activities of the Government of the United States. This purpose is to be accomplished by the establishment of a coordinated and reasonably uniform system for more effectively compensating Government employees for additional costs, and for hardships and inconveniences, incident to their working assignments in overseas areas. The bill provides for uniformity of treatment for all overseas employees to the extent justified by relative conditions of employment. The allowances, differentials, and expenses authorized by the bill apply only to citizens of the United States employed by the Government in overseas activities, except as otherwise provided by law.

This legislation carries out the recognized principle that the Government should provide uniform treatment for all of its civilian employees who are assigned to overseas posts of duty with respect to additional expenses, necessarily incurred by such employees in relation to their overseas service, which Government employees within the United States do not incur and with respect to hardships, inconveniences, and other differences in environment or conditions of employment at overseas posts of duty which justify additional compensation or allowances.

BACKGROUND OF LEGISLATION

This legislation is based on an official recommendation submitted by the Department of Defense as part of the President's legislative program in the 85th Congress.

The reported bill will place in effect unanimous recommendations of the Committee on Post Office and Civil Service of the House of Representatives set forth in House Report No. 2109, 84th Congress. The legislation has been developed through extensive hearings, conferences, and studies conducted during the past four years by the Civil Service Subcommittee of the Committee on Post Office and Civil Service, in cooperation with the Department of Defense, the Department of State, the Personnel Adviser to the President, the United States Civil Service Commission, the General Accounting Office, and other agencies having overseas responsibilities.

Over a period of years the Congress and the Executive Branch have become increasingly concerned with the need for clarification and strengthening of statutes and regulations affecting the working and living conditions of United States citizens employed overseas. The importance of sound and effective personnel policies in the conduct of overseas programs of the Government is well recognized. United States citizens assigned to overseas civilian posts are responsible for an important part of the duties necessary to the success of our military and economic commitments in foreign countries. These employees in a sense represent the United States in the eyes of the world. The success of our programs abroad depends largely upon obtaining maximum results from their efforts. The effectiveness of their performance—and, consequently, the accomplished results of entire programs—are directly related to the facilities which the Government places in their hands to aid them in carrying out their assigned tasks.

References to studies of overseas personnel problems beginning in the 82d Congress, each of which deals at some length with matters covered by H.R. 7758, appear in Appendix C of this report.

SUMMARY OF MAJOR PROVISIONS OF H.R. 7758

Title I

Title I of the bill contains a declaration of Congressional purpose discussed above, and certain definitions which apply primarily to the allowances and differentials authorized by title II of the bill.

Title II

Title II of the bill represents a consolidation of existing provisions, coupled with certain additional authorizations, for the payment of allowances and differentials to United States citizens employed by the Government in foreign areas. The allowances and differentials authorized by title II apply only to United States citizens at foreign posts and may be paid only in accordance with regulations issued by the President.

Section 211 of the bill adds, for all departments and agencies, new authority (1) for payment of a temporary lodging allowance for a period not exceeding one month immediately before final departure of an employee from an overseas post and (2) for reimbursement of reasonable expenses incurred for initial repairs, alterations, and improvements in order to make substandard living quarters habitable. This section extends to departments and agencies (other than those operating under the Foreign Service Act of 1946 or statutes related

thereto, which already have such authority) authority (1) to pay a temporary lodging allowance for a period not exceeding three months upon first arrival of an employee at a foreign post, (2) to include water as a utility covered by quarters allowances, and (3) to make advance payment of quarters allowances. The section continues and consolidates, for all departments and agencies, existing authority to furnish quarters in foreign areas or to grant allowances in lieu thereof.

Section 221 amends, for all departments and agencies, existing authority to grant a separate maintenance allowance for dependents of an employee in a foreign area so as to permit payment of such allowance where an employee must maintain a separate establishment for his dependents away from his post of duty but not necessarily outside of the country of assignment. This section continues and consolidates, for all departments and agencies, authority to pay (1) a post allowance to compensate for the difference in local living costs which are higher than those in Washington, D.C., (2) a transfer allowance upon assignment of an employee to duty at any post in a foreign area or at a post in the United States between foreign assignments, and (3) an allowance for education of an employee's dependents. The section continues, for departments and agencies operating under the Foreign Service Act of 1946 or related laws, and adds, for all other departments and agencies, authority to provide transportation of an employee's dependents for educational purposes.

Section 231 continues and consolidates, for all departments and agencies, existing authority to pay a hardship post differential, not exceeding 25 percent of basic compensation, for conditions of environment at foreign posts which warrant additional compensation as a recruitment and retention incentive.

Title III

Title III of the bill consolidates and clarifies existing authorities for all departments and agencies to make payment or reimbursement for transportation or storage, or both, of certain personal property of employees who are assigned to overseas duties. This title also modifies, and extends to other departments and agencies, certain authorizations presently applicable only to departments and agencies operating under the Foreign Service Act of 1946 or related legislation.

Section 301 extends to all departments and agencies authority, similar to that now available to the Foreign Service and related agencies, to pay representation expenses incurred in the promotion of official policies and programs.

Section 311 reenacts and clarifies existing Foreign Service and Central Intelligence Agency authority to pay the cost of packing and unpacking, transporting to and from storage, and storing the furniture and household and personal effects of employees assigned to foreign posts, and extends comparable authority to other departments and agencies.

Section 321 extends to other departments and agencies authority, now applicable only to departments and agencies operating under the Foreign Service Act of 1946 or related legislation, to pay unusual expenses incident to the operation of official residences suitable for certain senior representatives of the United States at foreign posts.

Section 331 extends to all departments and agencies authority, now applicable only to those operating under the Foreign Service Act of

1946 or related legislation, to transport the privately-owned motor vehicle of an employee to his overseas post, subject to a general limitation that only one such vehicle may be shipped during each four years of overseas service. This section also imposes the one-in-four-years limitation on departments and agencies operating under the Foreign Service Act of 1946 or related legislation.

Title IV

Title IV extends to all departments and agencies (other than those operating under the Foreign Service Act of 1946 or related legislation, which already have such authority) authority to grant home leave, not exceeding one week for each four months of service, to an employee who completes twenty-four months of continuous service abroad. Authority to accumulate up to forty-five days of annual leave is extended to employees of departments and agencies operating under the Foreign Service Act of 1946 or related legislation. This title also extends certain provisions of the Annual and Sick Leave Act of 1951, now applicable to overseas employees who were recruited or transferred from the United States, to those overseas employees who were recruited or transferred from the Commonwealth of Puerto Rico or the possessions of the United States.

Title V

Section 501 contains a general appropriation authorization to carry out the purposes of the bill.

Section 511 contains repeal and amendatory provisions necessary to conform certain provisions of existing law to the substantive provisions of H.R. 7758.

Sections 521 and 522 in effect are savings provisions, continuing (1) the effect of references in other laws to any provision of law repealed, modified, amended, or superseded by this bill and (2) existing allowances and differentials until appropriate regulations are issued to replace them under this bill.

Section 523 continues, for all departments and agencies, the effect of the existing income tax exemptions of foreign areas allowances (but not differentials) contained in section 912 of the Internal Revenue Code of 1954.

COST

The Department of Defense, which employs approximately two-thirds of all United States citizens working for the Government in foreign areas, reports that the additional cost of the legislation to the Department will be \$2,972,000 for the fiscal year ending June 30, 1960, and \$2,890,000 for each fiscal year thereafter. Overseas employees affected by this legislation were distributed in February 1959 among Government agencies, as follows:

Department of Defense.....	21, 085
Department of State (including Foreign Service and International Cooperation Administration).....	9, 799
United States Information Agency.....	1, 124
All other departments and agencies.....	1, 335
Total.....	33, 343

Representatives of the Department of Defense testified that no material change in the number of such employees is expected in the foreseeable future.

No additional cost was reported by the Department of State or by any other department or agency.

The Department of Defense, the Department of State, the United States Civil Service Commission, the Acting Comptroller General of the United States, and the Librarian of Congress submitted reports favoring the principles of H.R. 5007 with certain recommended amendments on the basis of which H.R. 7758 was introduced, after hearings, to replace H.R. 5007. The Department of the Treasury submitted a report on H.R. 7758, containing certain recommendations with respect to the income tax treatment of foreign areas allowances generally under section 912 of the Internal Revenue Code of 1954. The Committee amendments in the reported bill carry out the recommendation of the Department of the Treasury that the bill not extend or enlarge existing tax exemptions for such allowances.

These reports appear immediately following the Explanation of the Bill, as Reported.

EXPLANATION OF THE BILL, AS REPORTED

SHORT TITLE

The first section of the bill immediately preceding title I supplies a short title for the provisions of the bill by providing that the proposed new law may be cited as the "Overseas Differentials and Allowances Act".

TITLE I—PURPOSE AND DEFINITIONS

Title I consists of Part A (Purpose) and Part B (Definitions).

PART A—PURPOSE

Section 101 sets forth the general purpose of the bill—i.e., to improve and strengthen the administration of overseas activities of the Government of the United States of America. It is intended that this general purpose be accomplished by the operation of the bill in four ways, as follows:

(1) By providing a means for more effectively compensating civilian officers and employees of the Government for extra costs and hardships incident to their overseas assignments.

(2) By providing for uniform treatment of civilian officers and employees of the Government stationed overseas to the extent justified by relative conditions of employment. (Application of this principle of uniform treatment will eliminate certain inequitable and unjustifiable disparities and differences which now exist with respect to the treatment of Government civilian officers and employees stationed overseas.)

(3) By establishing the basis for the more efficient and equitable administration of the laws compensating Government civilian officers and employees for extra costs and hardships incident to their assignments overseas.

(4) By facilitating for the Government the recruitment and retention of the best qualified personnel for civilian service overseas.

PART B—DEFINITIONS

Section 111 contains definitions of the terms "Government", "Government agency", "employee", "United States", "continental United States", and "foreign area". These definitions are applicable with respect to title I, which sets forth the statement of purpose and these definitions, with respect to title II, which provides for certain allowances and differentials in foreign areas, and with respect to section 522 of title V, which provides for the continuation of allowances and differentials provided for under the laws existing immediately prior to the enactment of the bill until regulations are issued under the provisions of the bill.

These definitions do not apply to title III, which relates to certain miscellaneous expenses, i.e., representation expenses, storage, official residence expenses, and transportation of motor vehicles; title IV, which contains amendments to the Annual and Sick Leave Act of 1951; and title V (except section 522), which contains certain appropriation, repeal, amendatory, and miscellaneous provisions.

Titles III and IV amend certain existing laws containing in most instances definitions which do not require any change therein to serve the purposes of the amendment. In instances where this is not the case, appropriate language has been added for the purposes of the bill. Title V (except section 522) contains amendments and other provisions not requiring the application of any definitions.

The definitions are as follows:

(1) "Government" means the Government of the United States of America.

(2) "Government agency" means (A) each executive department of the Federal Government, (B) each independent establishment or agency in the executive branch of the Federal Government, including each corporation wholly owned by the Government (whether owned directly or through one or more corporations), (C) the General Accounting Office, and (D) by amendment of the committee, the Library of Congress.

(3) "Employee" means an individual performing civilian service with a Government agency, as defined in the bill, who will be defined more specifically in regulations to be prescribed by the President of the United States. The term "employee" does include specifically, however, ambassadors, ministers, and officers of the Foreign Service of the United States under the Department of State.

(4) "United States" (when the term is used in a geographical sense) means the several States of the United States of America (as now or hereafter in existence) and the District of Columbia.

(5) "Continental United States" means the several States of the United States of America, excluding Alaska and Hawaii but including the District of Columbia.

(6) "Foreign area" means any area situated outside the United States (as defined in the bill for geographical purposes), and outside the Commonwealth of Puerto Rico, the Canal Zone, and the possessions of the United States. The term "foreign area" also includes the Trust Territory of the Pacific Islands.

TITLE II—ALLOWANCES AND DIFFERENTIALS IN FOREIGN AREAS

Title II, which covers allowances and differentials in foreign areas, consists of Part A (General Provisions), Part B (Quarters Allowances), Part C (Cost-of-Living Allowances), and Part D (Post Differential).

PART A—GENERAL PROVISIONS

Section 201 covers the classes of employees for whom the allowances and differentials provided by title II may be authorized and to whom such allowances and differentials may be granted. In general, these allowances and differentials may be authorized for and granted to an employee officially stationed in a foreign area who is a citizen of the United States and whose rate of basic compensation is fixed by statute or, without taking into account the allowances and differentials provided by title II, is fixed by administrative action pursuant to law or is fixed administratively in conformity with rates paid by the Government for work of a comparable level of difficulty and responsibility in the continental United States.

These allowances and differentials also may be paid to an employee officially stationed in a foreign area who is not a citizen of the United States to the extent that the payment of such allowances and differentials to the noncitizen employee is authorized by any provision of law other than title II of the bill.

The allowances and differentials are provided by title II notwithstanding section 1765 of the Revised Statutes (5 U.S.C. 70) which imposes certain restrictions on the receipt of additional pay and extra allowances of Government employees. In this connection, it should be noted that similar allowances and differentials authorized by existing law may be granted without regard to section 1765 of the Revised Statutes.

Section 202 provides for the advance of funds to pay the allowances under title II and for the recovery of funds so advanced which are not subsequently covered by such allowances.

The allowances granted under title II may be paid in advance or advance of funds may be made for such allowances. The payment or advance of funds will be made through the proper disbursing officer in such amounts as are advisable in the light of the need therefor and the period of time during which the employee or employees concerned will be required to make expenditures in advance.

An advance of funds which is not subsequently covered by allowances accrued under title II to the employee or employees concerned will be recoverable by the United States Government. Recovery, may be effected by set off against accrued salary, pay, compensation, amount of retirement credit, or other amount due from the United States Government to the employee or employees concerned and also by such other appropriate method as may be provided by law for recovery of amounts owing to the Government.

It is not the purpose of this provision to modify, change, or otherwise interfere with existing authority contained in section 216 of the Standardized Regulations (Government Civilians, Foreign Areas) to grant special allowances in unusual circumstances.

Section 203 indicates the nature of the regulations governing payment of allowances and differentials under title II.

Section 203 requires that such allowances and differentials shall be paid in accordance with regulations prescribed by the President of the United States. These regulations will establish rules governing payment of such allowances and differentials, the respective rates of payment, and the foreign areas, the groups of positions, and the categories of employees to which these rates will apply. These regulations also may cover other related matters.

PART B—QUARTERS ALLOWANCES

Section 211 sets forth the various kinds of quarters allowances which may be granted to employees in foreign areas.

These quarters allowances may be granted to an employee in a foreign area whenever Government-owned or Government-rented quarters are not provided for such employee without charge to him, as follows:

Temporary Lodging Allowance

Paragraph (1) of section 211 provides for a temporary lodging allowance for the reasonable cost of temporary quarters which is incurred by the employee and his family. This temporary lodging allowance may be granted as follows:

(A) For a period of not in excess of three months after first arrival at a new post of assignment in a foreign area or for a period ending with the occupation of residence quarters, whichever period is the shorter.

(B) For a period of not more than one month immediately preceding final departure from the post following the necessary evacuation of residence quarters.

Paragraph (1) consolidates and extends the existing authority (set forth in clause (A) of such paragraph) to grant temporary lodging allowances in foreign areas. Such paragraph extends the temporary lodging allowance on first arrival to employees of those Government agencies not presently eligible for such allowance.

At present, this allowance is authorized—

(1) for the Foreign Service of the United States under section 901(1) of the Foreign Service Act of 1946 (22 U.S.C. 1131(1));

(2) for the Central Intelligence Agency under section 4(b) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403e(b));

(3) for the United States Information Agency on a fiscal year basis by appropriation Act (with respect to the fiscal year ending June 30, 1960, under title IV of the Departments of State and Justice, the Judiciary, and Related Agencies Appropriation Act, 1960 (73 Stat. 193; Public Law 86-84);

(4) for the International Cooperation Administration pursuant to section 527(c) of the Mutual Security Act of 1954 (22 U.S.C. 1787(c));

(5) for the Foreign Agricultural Service of the Department of Agriculture under section 603 of the Act of August 28, 1954 (7 U.S.C. 1763); and

(6) for personnel of the Veterans' Administration who are United States citizens and are assigned by the Administrator of Veterans' Affairs to the Veterans' Administration office in the Republic of the Philippines under section 235 of title 38 of the

United States Code as added by the Act of July 28, 1959 (Public Law 86-116).

Paragraph (1) also adds for all Government agencies a new authority (set forth in clause (B) of such paragraph) to grant a temporary lodging allowance of not to exceed one month immediately prior to final departure.

This temporary lodging allowance is intended to cover necessary and reasonable hotel room expenses incurred by an employee upon first arrival at a post of assignment in a foreign area while the employee is locating and arranging for suitable quarters and awaiting arrival of furniture and household effects. The allowance also may be granted under similar conditions to an employee who has relinquished residence quarters immediately prior to his departure from his post of assignment in a foreign area. Generally, an employee moves to a hotel for a short period, immediately prior to his departure from his post of assignment, in order to avoid contracting for another full month of rent for his quarters and to allow time for completion of departure arrangements such as settlement of utility bills and preparation of furniture and effects for storage or shipment. The right to a full month's temporary lodging allowance does not automatically follow from the receipt of transfer or separation orders; it is expected that only such portion of the one-month period will be allowed as may be justified by the circumstances.

The committee emphasizes that this temporary lodging allowance will cover only average prices for adequate but not luxurious accommodations. Assurance has been given to the committee that this policy will be spelled out in the administrative regulations governing such allowance. In this connection, reference is made to section 220 of the Standardized Regulations (Government Civilians, Foreign Areas), issued by the Secretary of State, set forth in Appendix A of this report.

It may be noted that paragraph (1) does not contain a provision similar to a provision of section 901(1) of the Foreign Service Act of 1946 (22 U.S.C. 1131(1)) to the effect that the amount of temporary lodging allowance may not exceed the aggregate amount of the per diem which would be allowable to the employee for himself and his family if they were in travel status.

Such provision is omitted for two reasons.

First, the limitation, now applicable to employees subject to the Foreign Service Act of 1946, would not operate uniformly with respect to other departments and agencies within the purview of title II of this bill. The Foreign Service Act of 1946 authorizes the allowance of per diem for an employee subject to such Act and for each member of his family. No such per diem is authorized for members of the families of employees in most other departments and agencies.

Second, the temporary lodging allowance is intended to cover only part of the expenses on which per diem payments are based. The temporary lodging allowance authorized by paragraph (1) relates only to quarters, and specifically to hotel room quarters. The allowance does not extend to expenditures for meals, which are included in per diem allowances.

Living Quarters Allowance

Paragraph (2) of section 211 provides for a living quarters allowance for rent, heat, light, fuel, gas, electricity, and water. This allowance is provided without regard to the limitations of section 3648 of the Revised Statutes (31 U.S.C. 529) providing certain limitations on advances of public money.

Existing authority contained in the Act of June 26, 1930 (5 U.S.C. 118a), provides for Government agencies generally an allowance in lieu of living quarters in foreign areas, including rent, heat, light, fuel, gas, and electricity, but not including water.

With respect to those Government agencies closely connected with the conduct of the foreign relations of the United States and related matters, a similar living quarters allowance is authorized, as follows:

(1) for the Foreign Service of the United States, under section 901(1) of the Foreign Service Act of 1946 (22 U.S.C. 1131(1));

(2) for the Central Intelligence Agency, under section 4(b) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403e(b));

(3) for the United States Information Agency, on a fiscal year basis, by appropriation Act (with respect to the fiscal year ending June 30, 1960, under title IV of the Departments of State and Justice, the Judiciary, and Related Agencies Appropriation Act, 1960 (73 Stat. 193; Public Law 86-84);

(4) for the International Cooperation Administration, under section 527(c) of the Mutual Security Act of 1954 (22 U.S.C. 1787(c));

(5) for the Foreign Agricultural Service of the Department of Agriculture, under section 603 of the Act of August 28, 1954 (7 U.S.C. 1763); and

(6) for certain personnel of the Veterans' Administration under section 235 of title 38 of the United States Code as added by the Act of July 28, 1959 (Public Law 86-116).

However, under sections 13 and 14 of the Act of August 1, 1956 (70 Stat. 892; 5 U.S.C. 170r and 170s), the Foreign Service of the United States, the Central Intelligence Agency, the United States Information Agency, the International Cooperation Administration, the Foreign Agricultural Service of the Department of Agriculture, and the above-mentioned personnel of the Veterans' Administration are granted allowances to cover water in addition to the other utilities above specified.

Paragraph (2) of section 211 of the bill consolidates and continues the authority for living quarters allowances for all Government agencies and, in addition, provides that this living quarters allowance may cover water in the case of all Government agencies, in addition to other utilities.

Allowance for Necessary and Reasonable Repairs, Alterations, and Improvements Under Unusual Circumstances

Paragraph (3) of section 211 provides for an allowance to cover expenses of initial repairs, alterations, and improvements to an employee's privately leased residence at a post of assignment in a foreign area.

This allowance may be granted only under unusual circumstances.

The allowance covers only extraordinary, necessary, and reasonable expenses which are not otherwise compensated for.

Moreover, the expenses must be approved administratively in advance if the allowance is to be granted.

In addition, the duration and terms of the lease must be such as to justify the granting of such allowance.

For example, under the foregoing provision the respective Government agencies could require that the lease contain provisions which would permit a change of lessees without change in other provisions of the lease in order that the quarters concerned could be made available to another employee in the event of the transfer or separation of the original tenant. The provisions of paragraph (3) are intended to insure that the allowance will be subject to strict administrative controls.

Paragraph (3) constitutes a new authority for all Government agencies to pay or reimburse for the necessary and reasonable repair, alteration, and improvement costs for quarters leased by an employee at a post of assignment in a foreign area. At many such posts of assignment habitable quarters are not obtainable unless the employee bears substantial costs for necessary repairs, alterations, and improvements.

The purpose of this allowance to cover repair, alteration, and improvement costs is to make sub-standard or uninhabitable dwellings habitable for the employee.

It is intended that the allowance cover repairs, alterations, and improvements which are basic to making a dwelling habitable, such as installation and repair of plumbing, and wiring or rewiring.

It is not intended that the allowance cover repairs, alterations, and improvements which are not basic to making a dwelling habitable, such as redecorating.

It is the understanding of this committee that the respective Government agencies will administer this paragraph in a manner which will place a ceiling on total cost to the Government.

This committee has approved the allowance provided by paragraph (3) of section 211 with the understanding that appropriate regulations will be issued which will provide that the total payment for such repairs, alterations, and improvements, plus the actual quarters allowance paid to an employee, will not exceed the maximum authorized quarters allowance available to the employee, without regard to repairs, alterations, and improvements, for two years at the post of assignment in the foreign area concerned.

As a reasonable and satisfactory guide in the administration and operation of paragraph (3) of section 211, the committee calls attention to Appendix B of this report which sets forth matters for consideration in the preparation of regulations to carry out the intent of such paragraph (3). These matters pertain to the coverage of the terms "repairs", "alterations", and "improvements" in connection with the allowances provided by paragraph (3) of section 211.

PART C—COST-OF-LIVING ALLOWANCES

Section 221 sets forth the various kinds of cost-of-living allowances which may be granted to employees in foreign areas. These cost-of-living allowances may be granted where applicable, as follows:

Post Allowances

Paragraph (1) of section 221 provides for a post allowance to offset the difference between the cost of living at the post of assignment of the employee in a foreign area and the cost of living in Washington, District of Columbia. The post allowance does not cover rent and utilities, since rent and utilities are covered by quarters allowances.

Authority similar to the authority for post allowances in paragraph (1) of section 221 of the bill is contained in existing law.

Section 901(2)(i) of the Foreign Service Act of 1946 (22 U.S.C. 1131(2)(i)) authorizes the Secretary of State to grant post allowances to employees of the Foreign Service of the United States.

A similar post allowance is made available to the Central Intelligence Agency, the United States Information Agency, the International Cooperation Administration, and the Foreign Agricultural Service of the Department of Agriculture, pursuant to the provisions of law specified with respect to those agencies in connection with living quarters allowances discussed above.

In addition, a similar post allowance also is made available, on a fiscal year basis, to the executive departments and independent establishments generally under provisions of appropriation Acts relating to general Government matters. With respect to the fiscal year ending June 30, 1960, section 203 of the General Government Matters Appropriation Act, 1960 (73 Stat. 165; Public Law 86-79), provides, in part, as follows:

“* * * Appropriations of the executive departments and independent establishments for the current fiscal year, available for expenses of travel or for the expenses of the activity concerned, are hereby made available for * * * cost-of-living allowances similar to those allowed under section 901(2) of the Foreign Service Act of 1946, in accordance with and to the extent prescribed by regulations of the President, for all civilian officers and employees of the Government permanently stationed in foreign countries * * *”.

Paragraph (1) of section 221 of the bill, in effect, consolidates and continues existing authority for Government agencies generally to pay post allowances to employees to compensate for higher living costs in foreign areas. Paragraph (1) does not, however, authorize payment of additional compensation as a recruitment or retention incentive based on conditions of environment.

Transfer Allowance

Paragraph (2) of section 221 provides for a transfer allowance for extraordinary, necessary, and reasonable expenses (not otherwise compensated for) incurred by an employee incident to establishing himself at any post of assignment in a foreign area or at a post of assignment in the United States between assignment to posts in foreign areas.

This transfer allowance will cover, for example, initial costs and unusual out-of-pocket expenses in connection with transfer to a post of assignment in a foreign area where, for example, a different type of clothing is required or electrical equipment of a different voltage is necessary.

At the present time, a similar transfer allowance is provided for the Foreign Service of the United States by section 901(2)(ii) of the Foreign Service Act of 1946 (22 U.S.C. 1131(2)(ii)).

A similar transfer allowance also is made available to the Central Intelligence Agency, the United States Information Agency, the International Cooperation Administration, and the Foreign Agricultural Service of the Department of Agriculture, pursuant to the provisions of law specified with respect to those agencies in connection with living quarters allowances discussed above.

A similar transfer allowance also is made available, on a fiscal year basis, to the executive departments and independent establishments generally under provisions of appropriation Acts covering general Government matters. With respect to the fiscal year ending June 30, 1960, section 203 of the General Government Matters Appropriation Act, 1960 (referred to above), provides authority for such transfer allowance by reference to cost-of-living allowances similar to those allowed under section 901(2) of the Foreign Service Act of 1946, as stated above in connection with post allowances.

Paragraph (2) of section 221 of the bill, in effect, consolidates and continues existing authority for Government agencies generally to pay a transfer allowance on the assignment of an employee to duty at any post in a foreign area and at a post in the United States between assignments to duty at posts in foreign areas.

Separate Maintenance Allowance

Paragraph (3) of section 221 provides for a separate maintenance allowance.

The separate maintenance allowance is intended to assist an employee who is compelled, by reason of dangerous, notably unhealthful, or excessively adverse living conditions at his post of assignment in a foreign area or for the convenience of the Government, to meet the additional expense of maintaining, elsewhere than at such post of assignment, his wife or his dependents, or both.

This separate maintenance allowance is similar to the allowance now provided for the Foreign Service of the United States by section 901(2)(iii) of the Foreign Service Act of 1946 (22 U.S.C. 1131(2)(iii)).

A similar separate maintenance allowance also is made available to the Central Intelligence Agency, the United States Information Agency, the International Cooperation Administration, and the Foreign Agricultural Service of the Department of Agriculture, pursuant to the provisions of law specified with respect to those agencies in connection with living quarters allowances discussed above.

A similar allowance also is made available, on a fiscal year basis, to the executive departments and agencies generally under provisions of appropriation Acts relating to general Government matters. With respect to the fiscal year ending June 30, 1960, section 203 of the General Government Matters Appropriation Act, 1960, provides such allowance to executive departments and agencies in the manner stated above.

Paragraph (3) of section 221 of the bill consolidates, with one important change, the existing authority for Government agencies to pay separate maintenance allowances.

Existing law authorizes payment of the allowance to help meet the additional cost when an employee is compelled, because of adverse conditions at his post, to maintain his wife and minor children elsewhere than in the *country* of assignment.

Paragraph (3) of section 221 of the bill authorizes payment of the allowance to help meet the cost, in the same circumstances, of maintenance of a wife or dependents or both at any place other than the *post* of assignment. Paragraph (3) will permit payment of the separate maintenance allowance in those cases in which it is essential that the employee maintain his family away from the *post* of assignment although not necessarily outside the *country* of assignment.

For example, it might be necessary for an employee stationed in a foreign area to send his family away from his post of assignment in time of protracted rioting and violence followed by plague. Under the new paragraph (3), it will not be necessary that the employee send his family out of the country to be entitled to the separate maintenance allowance.

Education Allowance

Paragraph (4) of section 221 provides for an education allowance or payment of transportation costs to assist an employee with the extraordinary and necessary expenses (not otherwise compensated for), incurred by reason of the service of the employee in a foreign area or areas, in providing adequate education for his dependents.

Subparagraph (A) of paragraph (4) of section 221 of the bill provides for an allowance not to exceed the cost of obtaining such elementary and secondary educational services as are ordinarily provided without charge by the public schools in the United States, plus (in those cases where adequate schools are not available at the employee's post) board and room and periodic transportation between such post and the nearest locality where adequate schools are available. This allowance may be granted without regard to the limitations of section 3648 of the Revised Statutes, pertaining to certain prohibitions on advances of public money. It is required that the amount of the allowance granted be determined on the basis of the educational facility used.

At present, this allowance is provided for the Foreign Service of the United States by section 901(2)(iv) of the Foreign Service Act of 1946 (22 U.S.C. 1131(2)(iv)).

Allowances similar to the allowances provided by section 901(2)(iv) of the Foreign Service Act of 1946 are provided for the Central Intelligence Agency, the United States Information Agency, the International Cooperation Administration, and the Foreign Agricultural Service of the Department of Agriculture, pursuant to the provisions of law specified with respect to those agencies in connection with living quarters allowances discussed above.

A similar allowance also is made available, on a fiscal year basis, to the executive departments and independent agencies generally pursuant to appropriation Acts relating to general Government matters. With respect to the fiscal year ending June 30, 1960, section 203 of the General Government Matters Appropriation Act, 1960 (referred to above) provides authority for such allowance.

Subparagraph (A) of paragraph (4) of section 221 of the bill in effect consolidates and continues the existing authority for Govern-

ment agencies generally to grant an allowance of the type described in such subparagraph (A).

Subparagraph (B) of paragraph (4) of section 221 of the bill provides for a payment covering the expenses of travel of dependents of an employee to and from a school in the United States to obtain an American secondary or undergraduate college education.

Such travel payment may be made for not more than one trip each way for each dependent for the purpose of obtaining each type of education.

Subparagraph (B) of paragraph (4) specifically provides, however, that no allowance payments for educational purposes under subparagraph (A) of such paragraph (4) shall be made for any dependent during the twelve-month period immediately following the arrival of the dependent in the United States for secondary education under subparagraph (B).

Under paragraph (4) of section 221 of the bill—

(1) a child of high school age could be entered in a secondary school in a foreign area and applicable allowance would be payable under subparagraph (A); or

(2) the child could be sent to the United States for secondary education with the cost of the trip being paid under subparagraph (B) but without entitlement by his employee parent to the allowance under subparagraph (A) during the twelve-month period immediately following the arrival of the child in the United States for secondary education; or

(3) the child could be sent to the United States for secondary education without the cost of the trip being paid under subparagraph (B) but the employee parent would be entitled to an allowance under subparagraph (A).

At the present time, the travel payment provided by subparagraph (B) is available—

(1) to the Foreign Service of the United States under section 911(9) of the Foreign Service Act of 1946 (22 U.S.C. 1136(9));

(2) to personnel of the Foreign Agricultural Service of the Department of Agriculture under section 603 of the Act of August 28, 1954 (7 U.S.C. 1763);

(3) to personnel of the International Cooperation Administration employed under section 527(c) of the Mutual Security Act of 1954 (22 U.S.C. 1787(c)); and

(4) to personnel of the United States Information Agency on a fiscal year basis by appropriation Act (with respect to the fiscal year ending June 30, 1960, under title IV of the Departments of State and Justice, the Judiciary, and Related Agencies Appropriation Act, 1960 (73 Stat. 193; Public Law 86-84)).

Section 911(9) of the Foreign Service Act of 1946 (22 U.S.C. 1136(9)) authorizes the payment of expenses of travel, including per diem in lieu of subsistence, of dependents of personnel of the Foreign Service of the United States. The Foreign Agricultural Service of the Department of Agriculture, the International Cooperation Administration, and the United States Information Agency are authorized to utilize the authority granted in section 911(9) of the Foreign Service Act of 1946 with respect to payment of such travel expenses. Although section 511(a)(1) of this bill repeals section 911(9) of the Foreign Service Act of 1946, it is the intent of this

committee that subparagraph (B) of paragraph (4) of section 221 of this bill will continue in effect the authority so repealed.

Subparagraph (B) of paragraph (4) of section 221 of the bill consolidates the travel payment authority (similar to that provided by such subparagraph (B)) granted under existing law and extends such travel payment authority to those Government agencies which are not authorized to make such payments at the present time.

The language of subparagraph (B) differs slightly from present statutory language in two respects:

First, the new language limits the prohibition on payment of allowances when transportation to the United States is authorized for secondary education purposes to the 12 months following arrival in the United States. Present statutory language has been interpreted to prevent the authorization of educational travel for a child on whose behalf an education allowance was granted in the first year, for example, of secondary school even though the parent has been transferred to another post at which secondary education is not available. This change in language is intended only to provide needed flexibility without changing the basic principle that education allowances will not be available to a parent whose child has been transported to the United States at Government expense for the purpose of securing secondary education and continues to be educated in the United States.

Second, the new language permits travel to the school or college the dependent is to enter rather than only to the nearest port of entry as is presently the case.

In addition, subparagraph (B) of paragraph (4) of section 221 of the bill contains a provision which authorizes the payment of travel expenses, under regulations to be prescribed by the President, for the purpose of obtaining undergraduate college education only, for dependents of employees who are citizens of the United States stationed in the Canal Zone. The provision waives section 111(6) of the bill which defines the term "foreign area" as excluding the Canal Zone.

PART D—POST DIFFERENTIAL

Section 231 of the bill provides for a post differential similar to that contained in existing law.

The post differential may be granted on the basis of conditions of environment which—

(1) differ substantially from conditions of environment in the continental United States, and

(2) warrant additional compensation as an incentive for the recruitment of an individual for, and his retention in, employment under such conditions of environment.

The purpose of the post differential authorized by section 231 of the bill is to compensate employees for undesirable conditions of environment which exist at some posts of assignment in foreign areas. These undesirable conditions of environment may take the form of physical hardships, hazards to health, and difficult conditions of living generally. This post differential, therefore, will serve as an incentive in the recruitment and retention of personnel to be employed at such locations.

Section 231 retains the existing limitation on the amount of post differential which may be paid under such section by providing that

additional compensation paid as a post differential shall not exceed, in any instance, 25 per centum of the rate of basic compensation.

Section 231 of the bill contains an exception to that provision in section 201 of the bill which states that “* * * allowances and differentials provided by this title are authorized for and may be granted only to an employee officially stationed in a foreign area unless otherwise provided in this title * * *”. This exception is to the effect that the post differential also may be granted to any employee who is officially stationed in the United States and who is on extended detail in a foreign area. Under section 142 of the Standardized Regulations (Government Civilians, Foreign Areas), the term “extended detail” is defined as a detail of at least 42 days at the post in the foreign area. The committee understands that this minimum requirement of 42 days will be continued with respect to the term “extended detail” in the regulations which will implement section 231 of this bill. Continuation of the 42-day minimum requirement will prevent payment of post differentials to employees officially stationed in the United States who make only short trips to foreign areas. The committee understands that the same limitation of 42 days also will apply to employees stationed at a post in a foreign area who are detailed to a post for which a post differential is prescribed.

Section 231 of the bill continues and consolidates the authority now contained in existing law for the payment of post differentials at foreign posts.

Section 443 of the Foreign Service Act of 1946 (22 U.S.C. 888), which is repealed by section 511(a)(1) of the bill, now provides that the President, under such regulations as he may prescribe, may establish rates of salary differential not exceeding 25 per centum of basic salary for Foreign Service officers, Reserve officers, and staff officers and employees assigned to posts involving extraordinarily difficult living conditions, excessive physical hardship, or notably unhealthful conditions. The Secretary of State maintains a list of such posts.

Section 207 of the Independent Offices Appropriation Act, 1949 (5 U.S.C. 118h), provides, in part, that certain appropriations or funds available to the executive departments and agencies, independent establishments, and certain Government corporations available for payment of salaries and compensation to persons stationed outside the continental United States or in Alaska, whose rates of basic compensation are fixed by statute, shall be available for the payment of additional compensation (not to exceed 25 per centum of the rate of basic compensation) to such persons, based on living costs substantially higher than in the District of Columbia, or based on conditions of environment which differ substantially from conditions of environment in the States and warrant additional compensation as a recruitment incentive, or based on both such factors.

Section 207 of the Independent Offices Appropriation Act, 1949, also provides that no additional compensation based on living costs substantially higher than in the District of Columbia shall be paid under such section to any person entitled to receive a cost-of-living allowance under section 901(2) of the Foreign Service Act of 1946 (22 U.S.C. 1131(2)(i)) or an allowance similar thereto under other law. The effect of this prohibition is retained and expanded with

respect to the allowances and differentials provided by title II of this bill.

It is the intention of the committee that the provisions of title II of this bill shall supersede the provisions of section 207 of the Independent Offices Appropriation Act, 1949, with respect to the authorization, granting, and payment of the additional compensation to employees stationed in foreign areas. Thus, title II of this bill will preempt the field with respect to allowances and differentials under such title and the provisions of section 207 of the Independent Offices Appropriation Act, 1949, no longer will be applicable to employees in foreign areas who are within the purview of title II of this bill.

It is not the purpose of this bill to modify or change the application and operation of section 207 of the Independent Offices Appropriation Act, 1949, except to the extent stated above. For this reason, this bill does not repeal such section 207 and does not affect its application and operation otherwise than as provided in title II of this bill. For example, the payment of additional compensation under such section 207 to persons stationed in Alaska is not affected in any way by this bill.

TITLE III—MISCELLANEOUS EXPENSES

Title III, which covers the granting and payment of certain miscellaneous expenses to Government officers and employees assigned to posts of duty outside the United States, consists of Part A (Representation Expenses), Part B (Storage), Part C (Official Residence Expenses), and Part D (Transportation of Motor Vehicles).

PART A—REPRESENTATION EXPENSES

Section 301 amends the Administrative Expenses Act of 1946 (60 Stat. 806) by adding at the end thereof a new section 22 authorizing the use by all departments and agencies of the Government of administrative expense funds for representation purposes in the promotion of official policies and programs. The general purpose of the amendment is to provide for the conduct of official relations by representatives of the Government of the United States in a manner which will compare favorably with the conduct of such relations by representatives of other nations, without the necessity for incurring personal costs by such representatives of the United States.

Present authority for payment of representation expenses is contained in section 901(3) of the Foreign Service Act of 1946, which authorizes allowances for the proper representation of the United States. Such section 901(3) is repealed by section 511(a)(1) of the bill and the authority contained therein is transferred to the new section 522 which is added to the Administrative Expenses Act of 1946 by section 301 of the bill.

Authority for the payment by all departments and agencies of representation expenses is included in the Administrative Expenses Act of 1946 in order to reflect the fact that such expenses constitute one of the normal and recurring operating expenses incident to certain types of activities conducted not only by the Foreign Service, but by certain other departments and agencies as well, in the field of foreign relations and operations.

Section 301 will make uniform authority available to all departments and agencies which conduct operations in foreign areas and to resident missions to international organizations, such as the United States Delegation to the United Nations. However, it is contemplated that only a very few departments and agencies will need to make use of such authority. Regulations prescribed by the President will define the conditions, and control the use, of the authority.

PART B—STORAGE

The general purpose of section 311 is to provide the basis for the extension to all departments and agencies of authority for payment of the costs of storage of furniture and household and personal effects of employees assigned to foreign posts, and of certain related expenses, which is comparable to the authority for the payment of such expenses now contained in section 911 of the Foreign Service Act of 1946, with respect to the Foreign Service of the United States, and in similar provisions of law with respect to certain other agencies. One effect of the amendment will be to provide a basis for payment or reimbursement of such expenses of all Government employees assigned to foreign posts on a reasonably uniform and equitable basis.

Subsection (a) of section 311 amends paragraphs (4) and (5) of section 911 of the Foreign Service Act of 1946. These paragraphs presently authorize the payment of costs of storage of furniture and household and personal effects of officers and employees in the Foreign Service (and certain other agencies), and related costs, (1) when such employees are absent from their posts of assignment under orders or are assigned to posts to which they cannot take or at which they are unable to use their furniture and household and personal effects, or (2) when it would be in the public interest or would be more economical to pay such costs than, for example, to pay quarters allowances while employees are away from their posts under orders or to pay transportation costs for employees from one location to another.

The amendment effects four changes in paragraphs (4) and (5) of section 911 of the Foreign Service Act of 1946.

The first change eliminates from paragraph (4) language which has the effect of limiting the payment of storage costs to those instances in which the employee is unable to move his furniture and household and personal effects to a new post of assignment because of emergency. Under the amendment, payment of storage costs may be authorized, upon transfer of an employee, without the existence of an emergency. As a practical matter, this change already has been accomplished, in effect, by section 2(b) of the Act of August 1, 1956 (Public Law 885, 84th Congress).

Second, the amendment adds to the existing paragraph (5) authority to pay the cost of packing and unpacking such furniture and household and personal effects, in connection with the transportation thereof to and from storage, in order to provide a statutory basis for the long established and recognized practice under which such costs are considered as necessarily incidental to the authority to transport and store such furniture and household and personal effects. The effect, therefore, will be to continue, but not to extend, existing practice in respect to payment of the costs of such packing and unpacking.

Third, the amendment adds in such paragraph (5), for the first time, a specific limitation to the effect that in no instance shall the weight or volume of the articles stored, together with the weight or volume of the articles transported, under authority of such paragraph, exceed the maximum weight and volume limitations fixed by regulations, when not otherwise fixed by law.

Fourth, the amendment adds to paragraph (5) the authority to pay the cost of packing and unpacking, transporting to and from a place of storage, and storing for a period of not to exceed three months the furniture and household and personal effects of an officer or employee in the Foreign Service who is being separated from the Foreign Service. Under existing law, these costs are borne by such officer or employee until a firm decision can be made with respect to his permanent place of residence after separation. The amendment will allow such an officer or employee a reasonable time during which his furniture and household and personal effects may be stored pending the completion of arrangements for his permanent residence following his separation from the Foreign Service after having served many years abroad in most instances.

Subsection (b) of section 311 amends paragraphs (1) (D) and (E) of section 4 of the Central Intelligence Agency Act of 1949, which relate to payment of the cost of packing and unpacking, transporting to and from places of storage, and storing of furniture and household and personal effects of employees of the Central Intelligence Agency. The effect of such paragraphs (1) (D) and (E), as so amended, is identical to the effect of paragraphs (4) and (5) of section 911 of the Foreign Service Act of 1946, as amended by section 311(a) of the bill and as explained above. The amendment made by subsection (b) effects no major change in existing practices by the Central Intelligence Agency except that (1) storage of furniture and household and personal effects is authorized for an employee abroad when it is determined to be in the public interest or to be more economical than to ship such articles and (2) storage of such articles is authorized, for a period not to exceed three months, upon departure of an employee from a post abroad or upon separation of an employee.

Section 311(c)(1) amends the first section of the Administrative Expenses Act of 1946 so as to eliminate the existing 8,750 pound maximum limitation on crated shipments of household effects of civilian employees which has proved completely unrealistic and has placed an unfair financial burden on many employees. This amendment makes no change in the existing maximum limitation of 7,000 pounds uncrated on the shipment of such household effects. Necessary packing and crating for overseas shipment of household effects increases the gross weight of such shipments (to which the existing 8,750 pound maximum limitation applies) by an average of approximately 90 percent. This existing limitation on crated shipments has the effect of reducing the maximum net weight limitation on a shipment of household effects consigned overseas to an average of something under 4,000 pounds. The amendment provides a reasonable and appropriate maximum limitation for overseas shipments of household effects, stated in terms of net weight in lieu of the previous gross weight limitation, and will permit employees going overseas to ship household effects to the same extent, and in the same quantity, as

may be shipped under existing authority in connection with transfers of employees within the United States.

Section 311(c)(2) amends the first section of the Administrative Expenses Act of 1946 by adding a new subsection (e) at the end thereof. Such subsection (e) authorizes the storage at Government expense of household goods and personal effects of employees who are assigned to permanent duty stations outside the continental United States when it is determined that such employees cannot take their goods and effects to their duty stations or that they are unable to use such goods and effects at such stations. The new subsection (e) also authorizes the head of each department or agency concerned to provide for storage of goods and effects, in lieu of shipment overseas, for reasons of economy or when in the public interest. The storage of household goods and personal effects under the subsection will be in accordance with regulations to be prescribed by the President and the weight of such goods and effects which may be stored at Government expense will be subject to maximum weight limitations identical to the maximum weight limitations governing the shipment of such goods and effects.

Section 311(d) clarifies the meanings of various terms applied to furniture, household goods, and personal effects which appear in the Foreign Service Act of 1946, the Central Intelligence Agency Act of 1949, and the Administrative Expenses Act of 1946. It is the intent of the committee that such clarification and other provisions contained in the amendatory language shall provide the basis for maximum practicable uniformity in the treatment of storage, packing and unpacking for storage, and transportation of the goods and effects of officers and employees in the several departments and agencies to which such Acts apply. In this connection, it is to be noted that the amendment made by section 311(d) authorizes the President, with respect to the Administrative Expenses Act of 1946, the Secretary of State, with respect to the Foreign Service Act of 1946, and the Director of Central Intelligence, with respect to the Central Intelligence Agency Act of 1949, to make appropriate determinations governing the terms "furniture and household and personal effects" and "household goods and personal effects" as used in such Acts.

PART C—OFFICIAL RESIDENCE EXPENSES

Section 321(a) amends the Administrative Expenses Act of 1946 (as amended by section 301 of the bill) by adding at the end thereof a new section 23 authorizing the use by all departments and agencies of the Government of administrative expense funds to defray unusual expenses incident to the operation and maintenance of official residences suitable for the chief representatives of the United States at posts in foreign countries and such other senior officials of the United States in foreign countries as the President may designate. The general purpose of this amendment is similar to the purpose of the amendment made by section 301 of the bill, but the expenses to be paid differ somewhat from the expenses authorized to be paid thereunder.

Allotment of funds under the new section 23 will be subject to regulations prescribed by the President and, in general, this allotment of funds will be of the type and kind for which existing authority is

provided, with respect to the Department of State, in section 902 of the Foreign Service Act of 1946, which is repealed by section 511(a)(1) of the bill.

The Department of State has been, and will remain, the principal user of the authority contained in the new section 23 of the Administrative Expenses Act of 1946. However, other departments and agencies on occasion undoubtedly will have need to use the authority. It is intended, and the committee has received full assurance, that this authority will continue to be used very sparingly and that its use for other than chief representatives of the United States at foreign posts will be strictly limited to unusual circumstances involving actual necessity.

The chief representatives, and at times other senior officials, of the United States who are stationed at foreign posts are compelled, in the best interests of their Government, to maintain residences of a type which would not be necessary except for the positions of conspicuous responsibility which they occupy at their foreign posts. As principal representatives of the United States, they are persons of major importance locally and must maintain suitably dignified relations with the highest level of local officials, residents, visitors, and representatives of other nations. They are expected, and in a sense required, to meet and associate socially with dignitaries of other nations as a part of their official duties for the Government of the United States. Apart and aside from the physical need for a residence establishment of adequate size and appointments, the factor of national prestige is highly important in furthering the interests of the United States. Chief representatives and senior officials of the Government largely represent the United States in the eyes of the officials and the citizens of the countries in which they serve. These representatives and officials serve on a twenty-four hour a day basis, and the operation of their personal residences is as important a part of their responsibilities as the operation of their official headquarters.

The authority contained in the new section 23 will not permit reimbursement to any individual for the ordinary household expenses which he would incur in any case. The authority is intended to extend only to the additional expenses necessarily incurred by chief representatives and senior officials of the Government in maintaining residences which are commensurate with their positions as important representatives of the United States abroad. Such additional expenses may include salaries and subsistence of servants and the cost of upkeep and repair for residences which are larger and more elaborate than otherwise would be required.

PART D—TRANSPORTATION OF MOTOR VEHICLES

Section 331 adds a new subsection (f) at the end of the first section of the Administrative Expenses Act of 1946, authorizing the transportation at Government expense of privately-owned motor vehicles of civilian employees assigned to duty outside the United States. Transportation of motor vehicles under subsection (f) will be authorized only upon a determination by the department or agency head concerned that it is in the interest of the Government for the employee to have the use of the motor vehicle at his post of duty. Transportation of a replacement motor vehicle is authorized after four years of

continuous overseas service by an employee. Transportation of a replacement motor vehicle prior to the completion of four years of continuous service by an employee is authorized only upon the basis of a determination in advance by the department or agency head that a replacement vehicle is necessary in the interest of the Government and for reasons which are beyond the control of the employee. This replacement provision is intended to be used only in cases such as those involving rapid deterioration of a vehicle due to severe climatic conditions or loss of a vehicle through fire, theft, or similar cause. Transportation of employees' motor vehicles is authorized by commercial means if available at reasonable rates, or by Government means on a space-available basis. The new subsection (f) does not apply to the Foreign Service of the United States under the Department of State, the International Cooperation Administration, the United States Information Agency, the Foreign Agricultural Service of the Department of Agriculture, or the Central Intelligence Agency. Provisions for the transportation of motor vehicles of officers and employees in those agencies are contained in the amendments made by sections 332 and 333 of the bill.

The committee was given specific assurance that this authority for the transportation of privately owned motor vehicles would be strictly administered to insure that such transportation will be authorized only where it is clear that the use of an employee's motor vehicle will contribute to effectiveness in the performance of official duties, is desirable and suitable under local conditions, is in the interest of the Government, and is not solely for personal convenience of the employee. The following colloquy during the hearings on H.R. 5007 and H.R. 5009 further amplifies this administrative intent:

Mr. PORTER. Now this transportation of household goods and motor vehicles, we have had allegations from time to time about abuses in this area. I know of one case recently which may or may not have been abused, where a man took his car overseas and then sold it for quite a profit. Are there any controls over that sort of thing?

Mr. JACKSON [Deputy Assistant Secretary of Defense (Manpower, Personnel and Reserve)]. We have had, if I may say, a rather top-level committee working intensely on the problem as it involves the military, because the military has more leeway with regard to shipments than civilians without this bill. We are very much concerned, not only from the possibility of making a profit in an individual case, but we are concerned with the effect on the host countries where in some instances the economy is very low and the means of transportation are not at all comparable in size and what seems to them to be very luxurious type of vehicles.

There has been a very marked consciousness of this and efforts to decrease this unfavorable impact on the local people. I am confident, and I am prepared to state this for the record at this time, that as far as the Defense Department is concerned, and I am sure the State and other agencies are conscious of this, that the authorization of transportation of motor vehicles will be very austere administered, for the civilians I am talking about.

The committee intends to maintain a close watch of the costs incurred in the transportation of privately owned motor vehicles under part D of title III of the bill.

Section 332 amends section 913 of the Foreign Service Act of 1946 (under which transportation is authorized at Government expense for privately-owned automobiles of officers and employees of the Foreign Service, the International Cooperation Administration, the United States Information Agency, and the Foreign Agricultural Service of the Department of Agriculture) so as to conform the authority contained in such section with the authority for shipment at Government expense of privately-owned motor vehicles of employees of other departments and agencies contained in the new subsection (f) added at the end of the first section of the Administrative Expenses Act of 1946 by section 331 of the bill.

It is to be noted that authority for the transportation of privately-owned automobiles, contained in section 913 of the Foreign Service Act of 1946, is extended to the Administrator of Veterans' Affairs, with respect to certain personnel of the Veterans' Administration assigned to duty in the Republic of the Philippines, by section 235 (a)(6) of title 38 of the United States Code, as added by the Act approved July 28, 1959 (Public Law 86-116; 73 Stat. 265). The new subsection (f) as added by section 331 of the bill, therefore, does not apply to those employees of the Veterans' Administration who are subject to such section 235(a)(6). However, the new subsection (f) does apply to those employees of the Veterans' Administration not subject to such section 235(a)(6).

Section 333 amends section 4 of the Central Intelligence Agency Act of 1949 (which authorizes transportation at Government expense of privately-owned automobiles of personnel of the Central Intelligence Agency assigned to duty outside the United States) so as to conform the authority contained in such section with the authority for shipment at Government expense of privately-owned motor vehicles of personnel of other departments and agencies contained in the new subsection (f) added at the end of the first section of the Administrative Expenses Act of 1946 by section 331 of the bill. The amendment made by section 333(b) with respect to the Central Intelligence Agency is identical in effect to the amendment made by section 332 with respect to the Foreign Service and other agencies referred to in such amendment.

TITLE IV—AMENDMENTS TO ANNUAL AND SICK LEAVE ACT OF 1951

Title IV relates generally to the accumulation of leave by, and the conditions for granting leave to, employees of the Government of the United States who are stationed outside of the several States of the United States and the District of Columbia.

Section 401 amends subsections (d), (e), and (f) of section 203 of the Annual and Sick Leave Act of 1951 (5 U.S.C. 2062 (d), (e), and (f)).

The amendment to such subsection (d) accomplishes two general purposes. First, the amendment deletes, from that part of subsection (d) which precedes paragraph (1) thereof, language which excludes from the coverage of such subsection employees in the Foreign Service of the United States under the Department of State. The effect is to bring such employees in the Foreign Service within the purview of

such subsection (d) as amended by section 401 of the bill. Since that part of such subsection (d) which precedes paragraph (1) thereof authorizes a maximum accumulation of not to exceed forty-five days of annual leave for certain categories of employees, and since the amendment made by the bill to such part brings employees in the Foreign Service within the purview of such subsection, the maximum accumulation of not to exceed forty-five days of annual leave will be applied to employees in the Foreign Service exactly as it applies to employees in other departments and agencies under existing law.

Second, the amendment extends the coverage of paragraphs (1) and (2) of such subsection (d) to a comparatively small number of additional employees in overseas areas.

The existing paragraph (1) designates, as one of the categories of employees covered by subsection (d), persons directly recruited or transferred from the United States. The amendment extends this category to include persons directly recruited or transferred from the Commonwealth of Puerto Rico or the possessions of the United States for employment in overseas areas outside of the area of recruitment or the area from which transferred.

The existing paragraph (2) designates, as a second category of employees covered by subsection (d), persons employed locally in overseas areas (A) who originally were recruited from the United States, who have been in substantially continuous employment by other Government agencies, United States firms, international organizations in which the Government participates, or foreign governments, and whose conditions of employment provide for their return transportation to the United States or (B) who at the time of employment are temporarily absent from the United States for travel or formal study and who during such absence maintain residence in the United States. The amendment, in conformity with the amendment to paragraph (1), extends the coverage of paragraph (2) to persons employed locally but who originally were recruited from the Commonwealth of Puerto Rico or the possessions of the United States but outside the area of employment.

The amendment also makes a technical change in the language of paragraph (3) of such subsection (d), which relates to persons who are not normally residents of overseas areas in which employed by the Government but who are discharged from military service to accept Government employment.

The amendment to subsection (e) of section 203 of the Annual and Sick Leave Act of 1951 continues the effect of such subsection (which is to preclude any reduction in the leave authorized by such Act for time actually and necessarily used in traveling to and from a post of duty and in awaiting transportation) and extends this effect to persons recruited or transferred from the Commonwealth of Puerto Rico or the possessions of the United States for employment outside the United States and outside the area of recruitment or from which transferred. The amendment limits the application of subsection (e) to not more than one period of leave "in a prescribed tour of duty at a post outside the United States," in lieu of the existing limitation of not more than one period of leave "in any twenty-four months period." This revision is necessary for the reason that prescribed tours of duty in some cases, such as those involving assignments to posts at which the employees will be subjected to extraordinary

hazards or dangerous health conditions, are for periods other than twenty-four months in duration.

The amendment to subsection (f) of section 203 of the Annual and Sick Leave Act of 1951 extends to all departments and agencies authority to grant leave of absence (generally known as "home leave") to officers and employees who have completed at least twenty-four months of continuous service outside the United States. At present, this leave is authorized only for personnel of the Foreign Service of the United States, the United States Information Agency, the International Cooperation Administration, the Foreign Agricultural Service of the Department of Agriculture, and the Central Intelligence Agency.

The home leave will be granted at a rate not to exceed one week for each four months of such service and represents leave which is separate and apart from the annual and sick leave otherwise provided for under the Annual and Sick Leave Act of 1951. This home leave is for use in the United States or (in appropriate cases) in the Commonwealth of Puerto Rico or the possessions of the United States. There is no limit on the maximum accumulation of home leave for future use, but no such leave can be made the basis for any terminal leave or for any lump-sum payment for unused accumulated or accrued leave.

Section 402(a) of the bill amends section 202(b)(2) of the Annual and Sick Leave Act of 1951 (5 U.S.C. 2061(b)(2)) by substituting the words "the United States" for the words "the several States and the District of Columbia." This is a technical amendment, made necessary by the new definition which is provided by the amendment made by section 402(c) of the bill in order to clarify the application of the Annual and Sick Leave Act of 1951 to employees occupying positions outside the several States of the United States (including Alaska and, when admitted to the Union, Hawaii) and the District of Columbia.

Section 402(b) of the bill is a technical amendment, similar in effect to the amendment made by section 402(a), which is necessary in order to conform the provisions of section 203(g) of the Annual and Sick Leave Act of 1951 (relating to the granting of leave to aliens employed by the Government outside the United States) to the new definition provided by the amendment made by section 402(c) of the bill.

Section 402(c) of the bill amends section 202 of the Annual and Sick Leave Act of 1951 by adding at the end thereof a new subsection (d) which defines the term "United States" for use in such Act. The term "United States" is defined, for purposes of the Act, as meaning the several States of the United States of America and the District of Columbia. The term "United States", as so defined, replaces the words "the several States and the District of Columbia" used in the Annual and Sick Leave Act of 1951 as in effect prior to enactment of the bill. This definition clarifies the intention that provisions of such Act, heretofore applicable to employees assigned to duty within the forty-eight States existing prior to the admission of Alaska and Hawaii as States and in the District of Columbia, shall apply with equal force and effect to employees assigned to duty in Alaska and (upon admission as a State) in Hawaii. The definition also clarifies the application of provisions of such Act which relate to employees outside the forty-eight States existing prior to the admission of Alaska and Hawaii as States and the District of Columbia. Such provisions will apply,

under the new definition, to employees assigned to duty at posts outside of the several States (including Alaska and, upon admission as a State, Hawaii) and the District of Columbia.

It is to be noted that the amendments made by title IV of the bill will be applicable to employees of the Veterans' Administration (except those employees subject to section 235(a)(7) of title 38 of the United States Code, as added by the Act of July 28, 1959 (Public Law 86-116), to the extent that such section 235(a)(7) is similar in effect to the amendments made by title IV).

Section 403 provides that the amendments made by title IV of the bill to the Annual and Sick Leave Act of 1951 shall take effect on the first day of the first pay period following the date of enactment of the bill.

TITLE V—APPROPRIATION, REPEAL, AMENDATORY, AND MISCELLANEOUS PROVISIONS

Title V consists of Part A (Appropriation Provisions), Part B (Repeal and Amendatory Provisions), and Part C (Miscellaneous Provisions).

PART A—APPROPRIATION PROVISIONS

Section 501 pertains to appropriations to carry out the purposes of this bill.

Section 501(a) authorizes the appropriation of such sums as may be necessary to carry out the purposes of the bill and of the amendments to existing law made by the bill.

Section 501(b) provides that appropriations or funds otherwise available, for the fiscal year ending June 30, 1960, to any department, agency, establishment, or corporation of the Federal Government within the purview of the bill or of any amendment made by the bill, are made available for the purposes of the bill and of any such amendment, in accordance with the authority contained in the bill or contained in any law amended by the bill and in accordance with such regulations as the President may prescribe.

PART B—REPEAL AND AMENDATORY PROVISIONS

Section 511 of the bill contains provisions which repeal, amend, modify, and conform existing law.

Section 511(a) of the bill contains specific repeal provisions.

Section 511(a)(1) of the bill repeals specified sections of the Foreign Service Act of 1946, as follows:

(1) Section 443 (22 U.S.C. 888), pertaining to salary differentials at hardship posts, which is replaced by section 231 of the bill, relating to post differential.

(2) Section 901 (22 U.S.C. 1131), pertaining to quarters allowances, cost-of-living allowances, and representation allowances, which is replaced by section 211 (quarters allowances), section 221 (cost-of-living allowances), and section 301 (representation expenses), of the bill.

(3) Section 902 (22 U.S.C. 1132), pertaining to official residence expenses, which is replaced by the new section 23 of the Administrative Expenses Act of 1946 (official residence expenses) added to such Act by section 321(a) of the bill.

(4) Section 903 (22 U.S.C. 1133), pertaining to accounting for allowances, which is unnecessary in view of section 203 of the bill (regulations of the President governing payment of allowances and differentials) and other related provisions.

(5) Section 911(9) (22 U.S.C. 1136(9)), pertaining to travel expenses for purposes of secondary or college education, which is replaced by section 221(4)(B) of the bill, relating to the travel payment for educational purposes.

Section 511(a)(2) repeals sections 2(b), 13, and 14 of the Act of August 1, 1956 (5 U.S.C. 170g(b), 170r, and 170s), which provided certain basic authority for the Department of State.

Section 2(b) of such Act, relating to payment by the Secretary of State of certain transportation and storage costs of employees of the Foreign Service, is replaced by similar provisions contained in the amendments made by section 311 of the bill to the Foreign Service Act of 1946.

Sections 13 and 14 of such Act of August 1, 1956, relating to the extension of the quarters allowance of the Foreign Service of the United States to include water and the availability of appropriations for advance payments of such allowances, are replaced by section 211(2) of the bill which provides that the living quarters allowance provided by the bill will include water and by section 202 of the bill which makes provision for advance payment of allowances.

Section 511(a)(3) of the bill repeals sections 1(d) and 4(b) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403a(d) and 403e(b)).

Section 1(d) of such Act contained a definition of the term "continental United States". This definition is unnecessary in view of the definitions provided by section 111 of the bill.

Section 4(b) of such Act authorized the Director of Central Intelligence to grant to officers and employees of the Central Intelligence Agency allowances in accordance with section 901 (1) and (2) of the Foreign Service Act of 1946. Such section 4(b) is made unnecessary in view of the repeal by the bill of section 901 of the Foreign Service Act of 1946 and authority provided in title II of the bill for the Central Intelligence Agency to grant allowances and differentials to employees of such Agency.

Section 511(b) of the bill provides that any provision of law which is not repealed by section 511(a) of the bill but which is inconsistent with any provision of the bill or of any amendment made by the bill shall be held and considered to be amended, modified, or superseded to the extent necessary to carry out the purposes of and conform to such provisions of the bill or of such amendment. The purpose of this provision is to provide a basis for conforming existing law generally to the objects and purposes of the bill.

An example of the application of section 511(b) of the bill is the effect of such section on section 235 of title 38 of the United States Code, as added by the Act of July 28, 1959 (Public Law 86-116).

Section 235 of title 38 of the United States Code provides that the Administrator of Veterans' Affairs may provide to personnel of the Veterans' Administration who are United States citizens and are assigned by the Administrator to the Veterans' Administration office in the Republic of the Philippines, allowances and benefits similar to

those provided by certain sections of the Foreign Service Act of 1946, as follows:

- (1) Section 901(1) (allowances for temporary and permanent living quarters, heat, light, water, fuel, gas, and electricity);
- (2) Section 901(3) (representation allowances);
- (3) Section 902 (allotment for official residences of principal American representatives);
- (4) Section 903 (accounting for allowances);
- (5) Section 911(1), (2), (3), (4), (5), (7), and (9) (travel expenses);
- (6) Section 913 (transportation of automobiles);
- (7) Section 933 (return of personnel to the United States on leaves of absence); and
- (8) Section 941 (payment by the United States of expenses for treating illness or injury of officers or employees and dependents requiring hospitalization).

Such section 235 also provides that personnel of the Veterans' Administration who are United States citizens and are assigned to the Republic of the Philippines by the Administrator of Veterans' Affairs may be granted leaves of absence in the United States by the Administrator of Veterans' Affairs, similar to that provided by section 203(f) of the Annual and Sick Leave Act of 1951 (5 U.S.C. 2062(f)).

As noted above, section 511(a)(1) of this bill will repeal sections 901, 902, 903, and 911(9) of the Foreign Service Act of 1946 (22 U.S.C. 1131, 1132, 1133, and 1136(9)).

Section 901 of the Foreign Service Act of 1946 is replaced by section 211 (quarters allowances), section 221 (cost-of-living allowances), and section 307 (representation expenses), of the bill.

Section 902 of such Act is replaced by the new section 23 of the Administrative Expenses Act of 1946 (official residence expenses) added to such Act by section 321(a) of this bill.

Section 903 of such Act is replaced by similar provisions in section 203 of the bill and related provisions of title II of the bill.

Section 911(9) of such Act is replaced by section 221(4)(B) of this bill (travel payment for educational purposes).

Although the recently enacted section 235 of title 38 of the United States Code is not repealed by this bill, such section clearly is inconsistent with this bill to the extent that this bill covers the same matters as such section 235.

Section 511(b) of this bill makes it clear that section 235 of title 38 of the United States Code is superseded by this bill to the extent that the provisions of such section 235 cover the same matters as are covered by this bill.

The Veterans' Administration is covered by the definition of the term "Government agency" in section 111(2) of this bill and its personnel will be entitled to the allowances and differentials in foreign areas provided by title II of this bill rather than the similar allowances and benefits provided under section 235 of title 38 of the United States Code by reference to sections 901(1), 901(3), 902, 903, and 911(9) of the Foreign Service Act of 1946. In addition, the Veterans' Administration is presently within the purview of the Administrative Expenses Act of 1946 and the Annual and Sick Leave Act of 1951 and, consequently, will receive the benefit of the amendments made to those laws by section 301 of the bill (representation expenses), section 311(c)

of the bill (storage), section 321(a) of the bill (official residence expenses), section 331 (transportation of motor vehicles), and title IV of the bill (leave provisions). However, those employees of the Veterans' Administration who are subject to paragraphs (6) (transportation of motor vehicles) or (7) (leaves of absence) of section 235(a) of title 38 of the United States Code as added by the Act of July 28, 1959 (Public Law 86-116), will remain subject to such paragraphs and will not be subject to the amendment made by section 331 of the bill or to those provisions of the amendments made by title IV of the bill which are comparable to the provisions of such paragraph (7).

As a result of the enactment of this bill, section 235 of title 38 of the United States Code will be superseded in all respects except with respect to—

(1) the travel expenses provided under the language of subparagraph (5) of subsection (a) of such section 235 by reference to section 911 (1), (2), (3), (4), (5), and (7) of the Foreign Service Act of 1946;

(2) the transportation of automobiles provided under the language of subparagraph (6) of subsection (a) of such section 235 by reference to section 913 of the Foreign Service Act of 1946;

(3) the return of personnel to the United States on leaves of absence which is covered by the language of subparagraph (7) of subsection (a) of such section 235 by reference to section 933 of the Foreign Service Act of 1946; and

(4) payment by the United States of certain expenses of illness or injury which is provided for under the language of subparagraph (8) of subsection (a) of such section 235 by reference to section 941 of the Foreign Service Act of 1946.

Section 511(c) of the bill makes amendments to the Central Intelligence Agency Act of 1949 and the Act of June 26, 1930.

Section 511(c)(1) of the bill makes a technical amendment to section 1(c) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403a(c)) which is necessary because of the repeal of section 1(d) of such Act by section 511(a)(3) of this bill.

Section 511(c)(2) of the bill makes a technical amendment to section 4(1)(A) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403e(a)(1)(A)) which provides for the payment by the Central Intelligence Agency of the travel expenses of its officers and employees assigned to permanent-duty stations outside the continental United States, including expenses incurred while traveling pursuant to authorized home leave. This technical amendment adjusts the language of such section 4(1)(A) to reflect similar provisions of this bill.

Section 511(c)(3) of the bill amends section 4(3)(A) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403e(a)(3)(A)) which relates to the authority of the Central Intelligence Agency to order to the United States for leave purposes certain officers and employees of the Agency on completion of two years of continuous service abroad. This amendment also is a technical amendment which is necessary to reflect certain provisions of the bill, for example, the definitions in section 111 of the bill.

Section 511(c)(4) of the bill amends section 4(3)(B) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403e(a)(3)(B)) which provides that, while in the continental United States on leave, the service of any officer or employee of the Central Intelligence Agency

shall not be available for work or duties except in the Agency or for training or for reorientation for work and the time of such work or duty shall not be counted as leave. This amendment provides that, while in the United States on leave, the service of any officer or employee shall be available for work or duties in the Agency or elsewhere as the Director may prescribe; and the time of such work or duty shall not be counted as leave. The amendment conforms to certain provisions of the bill such as the definitions in section 111 of the bill.

Section 511(c)(5) of the bill amends section 4(3)(c) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403e(a)(3)(C)) which provides that where an officer or employee of the Central Intelligence Agency on leave returns to the United States or its Territories and possessions, leave of absence granted shall be exclusive of the time actually and necessarily occupied in going to and from the United States or its Territories and possessions, and such time as may be necessarily occupied in awaiting transportation. The sole change made by this amendment is to eliminate the words "United States or its Territories and possessions" and substitute in lieu thereof a reference to the United States which will conform to the definitions contained in section 111 of the bill.

Section 511(c)(6) of the bill amends the Act of June 26, 1930 (5 U.S.C. 118a), which provides that civilian officers and employees of the Government having permanent station in a foreign country may be furnished, without cost to them, living quarters in Government-owned or rented buildings and, where such quarters are not available, may be granted an allowance for living quarters including heat, fuel, and light. The amendment made by section 511(c)(6) of the bill strikes out all references in such Act to allowances in lieu of living quarters as unnecessary in view of the provisions with respect to quarters allowances contained in Part B of title II of the bill.

PART C—MISCELLANEOUS PROVISIONS

Conforming Provision

Section 521 of the bill provides that, whenever reference is made in any other law or in any regulation to any provision of law which is repealed, modified, amended, or superseded by reason of section 511 of the bill, such reference (unless inconsistent with the objects and purposes of this bill) shall be held and considered to refer to this bill, or the appropriate provision of, or amendment made by, this bill.

The recently enacted Defense Department Overseas Teachers Pay and Personnel Practices Act (Public Law 86-91) contains provisions which illustrate the application of section 521 of the bill.

Section 7(b) of such Act provides that each teacher (other than a substitute teacher) shall be entitled, for each school year for which he performs services as a teacher, to quarters or a quarters allowance equal to those authorized by the Act of June 26, 1930 (5 U.S.C. 118a).

Section 7(c) of such Act provides, in part, that each teacher (other than a substitute teacher) who is performing services as a teacher at the close of a school year and agrees in writing to serve as a teacher for the next school year may be authorized, for the recess period immediately preceding such next school year, quarters or a quarters

allowance equal to those authorized by the Act of June 26, 1930 (5 U.S.C. 118a).

It should be noted that section 511(c)(6) of the bill proposes to eliminate from the Act of June 26, 1930, all references to living quarters allowances so that such Act will provide only for living quarters for Government employees and not for the granting of allowances in lieu of the living quarters. However, Part B of title II of this bill contains provisions with respect to quarters allowances which will replace on a broader scale the allowance provisions contained in the Act of June 26, 1930. As a result of the operation of section 521 of this bill, any teacher within the purview of section 7(b) or 7(c) of the Defense Department Overseas Teachers Pay and Personnel Practices Act will be entitled to living quarters in Government-owned or rented buildings equal to those authorized by the Act of June 26, 1930, or, where such quarters are not available, quarters allowances equal to those authorized by Part B of title II of this bill (in lieu of allowances equal to those authorized by those provisions of the Act of June 26, 1930, which will be eliminated by section 511(c)(6) of this bill).

Likewise, section 8(a) of the Defense Department Overseas Teachers Pay and Personnel Practices Act provides that each teacher (other than a substitute teacher) shall be entitled, in addition to basic compensation, to cost-of-living allowances equal to those authorized by section 901(2) of the Foreign Service Act of 1946 (22 U.S.C. 1131(2)) which is repealed by section 511(a)(1) of this bill. As a result of the operation of section 521 of this bill, a teacher to whom section 8(a) of the Defense Department Overseas Teachers Pay and Personnel Practices Act is applicable will be entitled to cost-of-living allowances equal to those authorized by Part C of title II of this bill rather than cost-of-living allowances equal to those authorized by section 901(2) of the Foreign Service Act of 1946 which is repealed by section 511(a)(1) of this bill.

Section 8(a) of the Defense Department Overseas Teachers Pay and Personnel Practices Act contains another example of the application of section 521 of this bill.

Such section 8(a) further provides that each teacher (other than a substitute teacher) shall be entitled, in addition to basic compensation, to additional compensation equal to that authorized under section 207 of the Independent Offices Appropriation Act, 1949 (5 U.S.C. 118h).

It is pointed out in that portion of this explanation of the bill which relates to Part D of title II of the bill—post differentials—that it is the intent of the committee that the provisions of title II of this bill shall supersede the provisions of section 207 of the Independent Offices Appropriation Act, 1949, and that such section 207 no longer will apply to employees in foreign areas within the purview of title II of this bill. To the extent that a teacher subject to the Defense Department Overseas Teachers Pay and Personnel Practices Act comes within the provisions of title II of this bill, he will be entitled, (as a result of the application of section 521 of this bill and the intent of the committee discussed above) to post differential equal to that authorized by Part D of title II of this bill rather than additional compensation equal to that authorized under section 207 of the Independent Offices Appropriation Act, 1949.

Transition Provision

Section 522 of the bill provides for the transition from the system of allowances and differentials provided under existing law to the new system of allowances and differentials provided by this bill.

Section 522 provides that notwithstanding any provision of this bill and until such time as regulations are issued under this bill, employees shall continue to be paid allowances and differentials in accordance with rules and regulations issued pursuant to the laws in effect immediately prior to the enactment of this bill and that such rules and regulations may be amended or revoked in accordance with the provisions of such laws.

Exemptions From Tax For Certain Allowances

Section 523(a) amends section 912 of the Internal Revenue Code of 1954, which relates to the exemption from Federal income tax of certain allowances. Under paragraph (1) of the existing section 912, in the case of civilian officers and employees of the United States stationed outside the continental United States, amounts received as cost-of-living allowances in accordance with regulations approved by the President are not includible in gross income. Under paragraph (2) of the existing section 912, amounts received by an officer or employee of the Foreign Service of the United States as allowances or otherwise under title IX of the Foreign Service Act of 1946 are not includible in gross income.

Section 523(a) of the bill, as amended by the committee, amends section 912 of the Internal Revenue Code of 1954 to make the changes in it made necessary by reason of the provisions of titles II and III of the bill. The amended paragraph (1) of section 912 provides that in the case of civilian officers and employees of the United States, amounts received as allowances or otherwise under certain designated provisions of law are not to be included in gross income. The designated provisions of law are:

- (1) Title IX of the Foreign Service Act of 1946.
- (2) Section 4 of the Central Intelligence Agency Act of 1949.
- (3) Title II of the bill.
- (4) Subsections (e) and (f) of the first section of the Administrative Expenses Act of 1946, and sections 22 and 23 of that Act.

The references to the provisions of law so designated are references to such provisions as amended from time to time, and thus include the amendments made thereto by title III of the bill.

In paragraph (1) of the amended section 912 it is made clear that its provisions do not apply to amounts received as post differentials. For this purpose, the term "post differentials" means, in general, amounts granted on the basis of conditions of environment which differ substantially from conditions of environment in the continental United States, such as amounts granted pursuant to the authority contained in section 231 of the bill.

Under the bill as introduced, paragraph (1)(D) contained a reference to subsection (a) of the first section of the Administrative Expenses Act of 1946. Such subsection (a) provides, in general, that where a civilian officer or employee of the Government is, in the interest of the Government, transferred from one official station to another for

permanent duty, his travel expenses, the expenses of transporting his immediate family, and the expenses of transporting or storing his household goods, may be paid from Government funds. The third proviso of this subsection states that no part of such expenses may be paid from Government funds where the transfer is made primarily for the convenience or benefit of the officer or employee or at his request. Under Revenue Ruling 54-429 (1954 Cumulative Bulletin 1954-2, page 53), it has been held that where an employee is transferred in the interest of his employer from one official station to another for permanent duty, the allowance or reimbursement received for moving himself, his immediate family, family goods, and personal effects is not includible in the gross income of the employee if the total amount of the reimbursement or allowance is expended for such purpose. In view of this revenue ruling, the reference to such subsection (a) is stricken by a committee amendment on the grounds that it is unnecessary.

Paragraph (2) of the amended section 912 provides that in the case of civilian officers or employees of the United States who are stationed outside the continental United States, there shall not be included in gross income amounts (other than amounts received under title II of the bill) received as cost-of-living allowances in accordance with regulations approved by the President.

For purposes of the new paragraph (2), Alaska is not treated as part of the continental United States. Thus, in the case of a civilian officer or employee of the United States stationed in Alaska, amounts received as a cost-of-living allowance in accordance with regulations approved by the President are not to be included in gross income.

Section 523(b) of the bill as amended by the committee provides that the amended section 912 of the Internal Revenue Code of 1954 is to apply only with respect to amounts received on or after the date of the enactment of the bill in taxable years ending after that date. In the case of any amount received before the date of the enactment of the bill, its tax treatment is to be determined under existing law without inferences drawn from the amendment made by the bill. Furthermore, the tax treatment of amounts received on or after the date of the enactment of the bill to which the provisions of the amended section 912 are not expressly made applicable is to be made under the Internal Revenue Code of 1954 without inferences from the fact that such provisions are not expressly made applicable.

AGENCY REPORTS

GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE,
Washington, D.C., June 10, 1959.

HON. TOM MURRAY,
*Chairman, Committee on Post Office and Civil Service,
House of Representatives.*

DEAR MR. CHAIRMAN: Reference is made to your request for the views of the Department of Defense on H.R. 5007 and H.R. 5099, 86th Congress, identical bills to improve the administration of overseas activities of the Government of the United States, and for other purposes.

The purpose of these bills is stated in their titles and amplified in section 101. They would provide a more effective and uniform

means for compensating employees in overseas areas for extra costs and hardships incident to their assignments, and would facilitate the recruitment and retention of the best qualified personnel for civilian service overseas.

These bills would authorize the following not now authorized for civilian employees of the Department of Defense in overseas areas:

(a) Temporary lodging allowance for not to exceed 3 months after first arrival at new post of assignment and for not to exceed 1 month preceding final departure from the post, both depending on immediate nonavailability of residence quarters.

(b) Addition of "water" to the list of utilities included in the quarters allowance authorization.

(c) Repair, alteration, and improvement of employee's privately leased residence under certain conditions.

(d) Transportation costs to a school in the United States for dependents, not to exceed one trip each way, for purposes of obtaining secondary or undergraduate college education.

(e) Storage and related expense for household goods when in the public interest.

(f) Transportation of motor vehicles when it is determined to be in the interest of the Government for an employee to have the use of a motor vehicle at his post of duty.

(g) Extension of provisions of section 203(d)(1) of the Annual and Sick Leave Act of 1951 to permit employees recruited from Alaska, Hawaii, Puerto Rico, or the possessions for employment outside the area of recruitment or from which transferred to accumulate not to exceed 45 days of annual leave.

(h) Authorization of home leave. Upon completion of 24 months of continuous service outside the continental United States employees may be granted leave of absence at a rate not to exceed 1 week for each 4 months of such service for use in the continental United States or (if their place of residence is outside the area of employment) in Alaska, Hawaii, Puerto Rico, or the possessions.

(i) Amendment of section 912(1) of the Internal Revenue Code of 1954 to exempt foreign area allowances from income taxes.

The Department of Defense has consistently favored enactment of legislation containing the fundamental provisions of H.R. 5007 and H.R. 5099. These bills embody many of the features which this Department has recommended for inclusion in similar bills introduced in previous sessions of the Congress. Enactment of this legislation would be of material benefit to the Department of Defense in recruiting and retaining the best qualified civilian personnel for its overseas activities.

H.R. 5007 and H.R. 5099 have been carefully reviewed in consideration of recent experience in overseas employment and in light of some recent developments such as Alaskan and Hawaiian statehood. The Department of Defense suggests the following changes to make these bills more responsive to current needs:

1. The recent acquisition of statehood by Alaska and the impending statehood for Hawaii has created problems because of various definitions in statutes of such terms as "United States," "continental United States" and "foreign area." For purpose of clarification and to take into account differences in application of certain provisions

of law to Alaska or Hawaii, as compared to the other 48 States, the following changes in definitions are recommended:

Page 3, line 5: After "Alaska" insert "and Hawaii". This will insure that when Hawaii becomes a State it will not be included in the term "continental United States."

Page 3, line 6: Following line 6 insert a new subsection as follows:
"(5) 'United States' means the several States of the United States of America and the District of Columbia; and,". This will provide a term for application to all the States and the District of Columbia.

Page 3, line 8: Redesignate this subsection as (6) instead of (5) and delete the words "continental" and "excluding Alaska, Hawaii".

Page 6, line 15: Strike out "continental".

Page 7, line 25: Change "111(5)" to "111(6)".

2. Under present law and regulation a post differential may be paid to employees on extended detail to a foreign post. In some cases this results in a reduction if an employee is detailed from one foreign post to another with a lower differential. To insure that this practice can be continued the following changes should be made:

Page 3, line 16: After the parentheses insert: "and except as provided in section 231".

Page 8, line 13: Change the period at the end to a comma and add "and may be granted to employees stationed at or on extended detail to a foreign post."

3. The Administrative Expenses Act of 1946, as amended, limits the shipment of household effects for civilian employees to 7,000 pounds if uncrated or 8,750 pounds if crated. The 7,000 pounds limit is generally adequate; however, the limit for crated effects is unrealistic and has created many problems in the case of overseas shipments. The packing and crating which is necessary for overseas shipment increases the total weight of the shipment an average of 90 percent. The result is that employees are automatically restricted to a figure which, exclusive of packing and crating material, is considerably lower than was intended. In quite a few cases employees shipping household effects well within the uncrated limit of 7,000 pounds have been forced to pay overweight shipment charges running into several hundred dollars. To correct this inequity it is recommended that an amendment to the Administrative Expenses Act be included which would remove the present weight limit for crated household goods and effects, as follows:

Page 11, line 21: After "by" insert "striking out the second parenthetical clause in subsection (a) and inserting in lieu thereof '(not to exceed seven thousand pounds net weight)' and by".

4. Because of the acquisition of statehood by Alaska and the impending acquisition of statehood by Hawaii the coverage of the Annual and Sick Leave Act of 1951 as amended should be clarified. The Department of Defense believes that the provisions of this Act should apply equally in all States of the Union. To accomplish this "United States" should be defined in the Annual and Sick Leave Act as that term is proposed to be defined in section 111 of H.R. 5007 and H.R. 5099. This will require the following changes in subsection 402(c):

Page 21, line 4: Strike out "continental".

Page 21, line 6: Strike out "(including Alaska)".

These changes make the change proposed in section 202(c)(2) of the Annual and Sick Leave Act [sec. 402(b) of the bills] unnecessary, but will require a change in section 203(g) of the Act. To accomplish this the following change should be made in H.R. 5007 and H.R. 5099.

Page 20, lines 13-22: Strike out the language of subsection (b) and insert in lieu thereof "Section 203(g) of such Act as amended (5 U.S.C. 2062(g)), is amended by striking out 'several States and the District of Columbia' and inserting in lieu thereof 'United States'."

The changes in definition above recommended will require the following changes in title IV of the bills:

Strike out "continental" at the following places: page 17, lines 22, 24; page 18, lines 5, 13, 17, 21; page 19, lines 10, 11, 17, 19, 24; and page 20, line 11.

Strike out "Hawaii" at the following places: page 17, line 25; page 18, lines 6, 14, 18, 22; and page 19, lines 13 and 25.

5. Employees who complete agreed tours of duty in overseas areas and who agree to serve for an additional tour at the same post are eligible for round trip travel to the United States for purposes of taking leave. Recently a question has been raised by the Bureau of Internal Revenue as to whether the expenses of such travel and transportation is income for purposes of taxation. The Department of Defense believes that as a matter of equity such expenses should not be considered income and should be clearly exempt from taxation. To accomplish this result, it is recommended that H.R. 5007 and H.R. 5099 be amended as follows:

Page 25, after line 6: Insert a new subsection as follows:

"(3) Expenses of Travel and Transportation.

"(a) In the case of civilian officers and employees of the United States Government, amounts received as expenses of travel and transportation, or costs of transportation provided in lieu thereof, from posts of duty outside the continental United States, to and from their place of residence, for the purposes of taking leave authorized by Section 7 of the Act of August 2, 1946, 60 Stat. 806, as amended.

"(b) The amendment made by this section shall apply with respect to taxable years beginning after December 31, 1958, and ending after the date of enactment of this Act."

6. In addition to the above changes the following minor technical corrections should be made:

Page 3, line 14: Strike out "Short title and", since the short title appears after the enacting clause.

Page 5, line 7: After "the" insert "reasonable".

COST AND BUDGET DATA

Cost to the Department of Defense of enactment of this proposal would be as follows:

	Fiscal year 1960	Fiscal year 1961	Fiscal year 1962	Fiscal year 1963	Fiscal year 1964
Army.....	\$1,600,000	\$1,580,000	\$1,580,000	\$1,580,000	\$1,580,000
Navy.....	297,000	290,000	290,000	290,000	290,000
Air Force.....	1,075,000	1,020,000	1,020,000	1,020,000	1,020,000
Total.....	2,972,000	2,890,000	2,890,000	2,890,000	2,890,000

No funds for this proposal have been provided in the Department of Defense Appropriation estimates for fiscal year 1960. In the event of enactment, additional funds would be required.

The Bureau of the Budget has advised that there is no objection to the submission of this report to the Congress.

Sincerely yours,

ROBERT DECHERT
(Signed for L. Niederlehner).

DEPARTMENT OF STATE,
Washington, May 5, 1959.

HON. TOM MURRAY,
*Chairman, Committee on Post Office and Civil Service,
House of Representatives.*

DEAR MR. MURRAY: Reference is made to your letters of March 4, 1959, requesting reports on identical bills H.R. 5007 and H.R. 5099, to improve the administration of overseas activities of the Government of the United States, and for other purposes.

The subject bills would extend to employees of other agencies who are stationed in foreign areas certain benefits that are now available only to the Foreign Service and to employees of those agencies to which the provisions of the Foreign Service Act have been specifically extended.

The Department considers that more uniform emoluments for Government employees stationed in foreign areas whose terms and conditions of employment are similar will contribute to improved personnel administration. Although the Department recognizes the benefits that can accrue from a governmentwide approach, it would like to point out that the Foreign Service Act of 1946, as amended, constitutes, with relatively few exceptions, an integrated statute to govern the organization and administration of the Foreign Service. This Act, as you are aware, originated with the House Committee on Foreign Affairs, which has, together with the Senate Committee on Foreign Relations, consistently maintained a deep interest in all matters affecting the Foreign Service. As a consequence of this, the Department is forwarding a copy of its comments to you on these two bills to the chairman of the House Committee on Foreign Affairs and the chairman of the Senate Committee on Foreign Relations.

Subject to the additional comments contained herein, the Department of State favors this proposed legislation. It is suggested, however, that section 311(a) of the bills be revised to delete the period at the end of the proposed amendment to paragraph (5) of section 911 of the Foreign Service Act of 1946 and to insert in lieu thereof a semicolon and the following limiting clause which appears at the end of the proposed paragraph (4): “; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law.”

The Department has been informed by the Bureau of the Budget that there is no objection to the submission of this report.

Sincerely yours,

WILLIAM B. MACOMBER, Jr.,
Assistant Secretary
(For the Secretary of State).

THE SECRETARY OF THE TREASURY,
Washington, June 30, 1959.

HON. TOM MURRAY,
*Chairman, Committee on Post Office and Civil Service,
House of Representatives, Washington, D.C.*

MY DEAR MR. CHAIRMAN: A bill in which the Treasury Department has an interest has come to our attention. Section 523 of H.R. 7758, a bill introduced by Mr. Morrison and entitled "Overseas Differentials and Allowances Act," would amend section 912 of the Internal Revenue Code of 1954 to expand the existing exemptions allowed with respect to certain allowances received by Government employees. It is believed that your committee will be interested in the views of the Treasury Department on these provisions.

The purpose of the bill is to achieve uniform treatment between Foreign Service personnel and other Government employees overseas with respect to the certain types of tax-exempt allowances now granted Foreign Service personnel under title IX of the Foreign Service Act of 1946. These include allowances for temporary lodging, representation expenses, official residence, storage, and expenses of travel and transportation in connection with home leave. The bill also provides for tax exemption on new types of allowances not now provided.

The objective of the bill (to achieve uniformity as between employees of different Government agencies) is a desirable one and has the full support of this Department. But insofar as the bill would achieve that objective through tax exemption, it is believed undesirable.

The practice of splintering off or earmarking parts of compensation and investing them with a special character is one which should be resisted. The compensation paid in areas with high price levels may well be higher than those where price levels are low. This is a factor which applies within the United States as well as abroad. Except for the special case of Alaska, which recently became a State, we make no tax distinction within the United States among salaries or parts of them which reflect local variations in living costs or other factors. There seems to be no valid reason for making such a distinction with respect to overseas employment.

The enlarged scope of tax exemption contemplated by the bill is highly undesirable from the point of view of maintaining a sound and equitable tax system. By enlarging the application of tax exemption, the bill would aggravate inequities which now exist, would increase resentment on the part of employees and employers in private industry, and intensify pressures for expansion of tax-exempt allowances. The tax-exempt status of cost-of-living allowances given to Government employees stationed outside continental United States has created continued pressure for expanding its application to private employees. Although the Department has resisted such demands, it will be even more difficult to do so if such allowances are broadened.

In view of the basic changes made by the proposed bill in the structure of the statutes which provide for overseas allowances, we recognize that it will be necessary to amend section 912. However, we believe that these amendments should be so limited that they do no more than continue the exemptions now provided for by section 912 for overseas allowances.

The Bureau of the Budget has advised the Treasury Department that there is no objection to the presentation of this report.

Sincerely yours,

FRED C. SCRIBNER, Jr.,
Acting Secretary of the Treasury.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, March 31, 1959.

B-115138.

Hon. TOM MURRAY,
*Chairman, Committee on Post Office and Civil Service,
House of Representatives.*

DEAR MR. CHAIRMAN: By separate letters both dated March 4, 1959, and acknowledged on March 5, you requested our report upon H.R. 5007 and H.R. 5099, respectively, which bills appear identical.

The bills would provide a uniform basis for the granting of special benefits to all personnel stationed outside the continental United States. In general, we favor the objectives of the bills although we have reservations concerning the necessity for, or the propriety of, certain of the provisions of the bills in their present form. Our comments upon those provisions are as follow:

Section 211(1)(A): The temporary lodging allowance authorized under this provision for a period not to exceed 3 months conceivably could cover premium accommodations in an expensive hotel for the employee and his family. There is no monetary limitation upon the amount allowable under the provision. In contrast the present provisions of section 901 of the Foreign Service Act of 1946 (22 U.S.C. 1131), limit the amount payable for lodging at temporary quarters to the amount of per diem that would have been allowable to the employee and members of his family for such period if they had been in a travel status. In the absence of some appropriate limitation, this provision of the bill could become subject to abuse.

Section 211(1)(B): We understand that in the State Department the general practice is to notify the employee months in advance of his transfer and that arrangements for crating and shipping his effects normally are made by State Department personnel after departure from the area of the employee who is being transferred. Obviously, under such practice there would be no need for payment of a temporary lodging allowance a month prior to the employee's departure. You may want to make it clear either in the bill itself or in your committee report that the temporary lodging allowance provided for in subparagraph (B) should not be granted as a routine practice but only when the circumstances are such as to indicate a bona fide need for the granting of such an allowance, and that the allowance should be granted for no longer period than circumstances require.

Section 211(3): The utmost care would have to be exercised in the administration of this provision to prevent abuse. If enacted it would afford opportunity for the granting of special treatment in individual cases. Moreover, it would authorize expenditures wherever U.S. employees are stationed in foreign areas for the purpose of making permanent improvements on property owned by foreign citizens with no direct compensating benefit to the United States. We urge that the

most careful consideration be given to the possible implications of this provision prior to its enactment.

We note that it is not necessary for an employee to be permanently stationed in a foreign area to be granted the allowances provided for in title II. Conceivably those allowances could be granted an employee who is in a foreign area on temporary duty and who is receiving a per diem allowance while absent from his official station in the United States. In such a case, we think the employee should be precluded from receiving both the per diem allowance and a quarters allowance and a cost-of-living allowance under this title since in effect he would be compensated twice for the same expenses.

Section 311: For purposes of the storage provisions of the bill (title III, pt. B), subsection (d) defines the term "furniture and household and personal effects" and the term "household goods and personal effects" to include "motor vehicles authorized to be shipped at Government expense." However it is not clear whether it is intended that the weight of an automobile be included in applying the weight limitation on property that may be stored. Also, we doubt the necessity for a provision which would authorize storage of an automobile upon arrival at a new post. Whereas storage of ordinary household goods and effects might be necessary while the employee is locating permanent resident quarters, the same ordinarily would not be true in the case of an automobile which the employee doubtless would use from the date of his arrival at the post. Finally, we recommend that it be made clear in the bill or in your report that reimbursement of ordinary garage rent paid by an employee who rents garage space in a foreign area would not be reimbursable under the guise of storage.

Sections 332 and 333: Under these sections, there is no limit upon the number of replacement vehicles that can be shipped at Government expense whereas section 331 imposes a reasonable limitation—one replacement vehicle in 4 years unless replacement is required prior to that time by reason of conditions beyond the control of the employee. Since it is not unusual for Government employees to sell their automobiles in foreign countries, we think that a reasonable limitation should be placed upon the number of replacement automobiles which the Government will transport without charge under these sections (secs. 332 and 333) also.

Section 401: Employees now stationed outside the United States—other than officers and employees in the Foreign Service—are allowed to accumulate 45 days' annual leave or 15 days more than employees stationed within the United States. Officers and employees of the Foreign Service, on the other hand, while entitled to accumulate only 30 days annual leave are granted, in addition, a special leave which accrues at the rate of 1 week for each 4 months of service. The special leave is cumulative from year to year but may not be used as a basis for any lump-sum leave payment. Section 401 would increase the amount of leave Foreign Service officers and employees may accumulate from 30 days to 45 days. At the same time it would grant employees stationed in foreign areas, other than employees of the Foreign Service, special leave benefits comparable with those allowable to officers and employees of the Foreign Service. It occurs to us that you may wish to provide one or the other of the benefits—the 45-day accumulation ceiling or the special leave provision applicable to Foreign Service—rather than both benefits as presently is

provided by this section. If all employees stationed in foreign areas are granted special leave similar to that applicable to Foreign Service officers and employees it would appear reasonable to reduce their leave accumulation ceiling to 30 days.

Sincerely yours,

FRANK H. WEITZEL,
Acting Comptroller General of the United States.

THE LIBRARIAN OF CONGRESS,
Washington, D.C., March 19, 1959.

HON. JAMES H. MORRISON,
Committee on Post Office and Civil Service,
Chairman, Subcommittee on H.R. 5007,
House of Representatives, Washington, D.C.

DEAR MR. MORRISON: I am very grateful to the Committee on Post Office and Civil Service for giving me an opportunity to comment on H.R. 5007.

I am very much interested in having the provisions of this bill apply to the Library of Congress because it is not presently authorized to pay from its regular congressional appropriations post differentials, and cost-of-living and similar allowances to Library personnel who may be stationed in foreign countries.

Authority to make such payments would meet an occasional need in connection with our normal foreign acquisitions program and would seem to be mandatory if the Library is to implement successfully the foreign programs which the Librarian of Congress is authorized to establish pursuant to section 104(n) of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) as extended and amended by Public Law 85-931.

I wish to thank you very much for your continued interest in the Library and should you need further information on the application of H.R. 5007, I shall be glad to provide it.

Sincerely yours,

L. QUINCY MUMFORD,
Librarian of Congress.

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., June 11, 1959.

HON. TOM MURRAY,
Chairman, Committee on Post Office and Civil Service,
U.S. House of Representatives, Washington, D.C.

DEAR MR. MURRAY: This is in further reply to your letters of February 27 and March 4, 1959, requesting the views of the Civil Service Commission on H.R. 5007 and H.R. 5099, identical bills to improve the administration of overseas activities of the Government of the United States, and for other purposes.

These bills are identical in purpose and substantially alike in detail to three bills introduced in the 85th Congress, H.R. 3527, H.R. 4943, and H.R. 6853, identical bills upon which the Commission reported favorably to your committee on March 3, 1958.

The Commission favors the enactment of either H.R. 5007 or H.R. 5099. For a number of years the Commission has been interested in

improving and equalizing the administration of benefits for overseas employees. We believe enactment of the proposed legislation will accomplish these purposes.

The Bureau of the Budget has advised us that there is no objection to the submission of this report to your committee.

By direction of the Commission:

Sincerely yours,

(Signed) ROGER W. JONES, *Chairman.*

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill (H.R. 7758), as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

ADMINISTRATIVE EXPENSES ACT OF 1946

AN ACT To authorize certain administrative expenses in the Government service, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) under such regulations as the President may prescribe, any civilian officer or employee of the Government who, in the interest of the Government, is transferred from one official station to another, including transfer from one department to another, for permanent duty, shall, except as otherwise provided herein, when authorized or approved by such subordinate official or officials of the department concerned as the head thereof may designate for the purpose, be allowed and paid from Government funds the expenses of travel of himself and the expenses of transportation of his immediate family (or a commutation thereof in accordance with the Act of February 14, 1931) and the expenses of transportation, packing, crating, temporary storage, drayage, and unpacking of his household goods and personal effects (not to exceed seven thousand pounds [if uncrated or eight thousand seven hundred and fifty pounds if crated or the equivalent thereof when transportation charges are based on cubic measurement] *net weight*): *Provided*, That advances of funds may be made to the officer or employee in accordance with said regulations under the same safeguards as are required under the Subsistence Expense Act of 1926 (5 U.S.C. 828): *Provided further*, That the allowances herein authorized shall not be applicable to officers and employees transferred in accordance with the provisions of the Foreign Service Act of 1946: *Provided further*, That no part of such expenses (including those of officers and employees of the Foreign Service, Department of State) shall be allowed or paid from Government funds where the transfer is made primarily for the convenience or benefit of the officer or employee or at his request: *Provided further*, That in case of transfer from one department to another such expenses shall be payable from the funds of the department to which the officer or employee is transferred: *And provided further*, That expenses of travel and transportation in connection with the transfer of officers and employees to posts of

duty outside the continental limits of the United States and return therefrom shall be allowed to the same extent and subject to the same limitations prescribed for new appointees under section 7 of this Act.

(b) In lieu of the payment of actual expenses of transportation, packing, crating, temporary storage, drayage, and unpacking of household goods and personal effects, in the case of such transfers between points in continental United States, reimbursement shall be made to the officer or employee on a commuted basis (not to exceed the amount which would be allowable for the authorized weight allowance) at such rates per one hundred pounds as may be fixed by zones in regulations prescribed by the President. Under such regulations as the President may prescribe, any civilian officer or employee who transports a house trailer or mobile dwelling within the continental United States, within Alaska, or between the continental United States and Alaska, for use as a residence and who would otherwise be entitled to transportation of household goods and personal effects under subsection (a) shall be entitled to a reasonable allowance, not to exceed 20 cents per mile, in lieu of such transportation.

(c) Funds available for travel expenses of civilian officers and employees shall also be available for the expenses of the transportation of their immediate families, and funds available for the transportation of things shall also be available for the transportation of household goods and effects, as authorized by this Act.

(d) When civilian officers and employees of the United States are on duty at places designated by the heads of their respective departments or agencies as within zones from which their immediate families should be evacuated for military or other reasons which create imminent danger to life or property, or adverse living conditions seriously affecting the health, safety, or accommodations of said families, or upon transfer or assignment to duty of such civilian officers and employees to places where their immediate families are not, for the aforesaid reasons, permitted to accompany them, their immediate families and household goods may be transported at Government expense, under such regulations as the heads of their respective departments and agencies may prescribe, to such location as may be designated by the civilian officer or employee concerned or by the immediate families of such officers and employees when circumstances prevent the officers and employees from designating such locations or when it is administratively impracticable to determine the intent of the officers or employees in this respect: *Provided*, That if such location designated by either the officers or employees or their immediate families is within an area to which such movement is prohibited for the aforesaid reasons, an alternate location may be designated by either the officers or employees concerned or their immediate families: *And provided further*, That such immediate families and household goods may later be transported at Government expense from the designated location or alternate location authorized in this subsection to a duty station to which the officers or employees concerned are assigned, and to which the above restrictions do not apply.

(e) *Whenever any civilian officer or employee (including any new appointee in accordance with section 7 of this Act) is assigned to a permanent duty station outside the continental United States to which he cannot take or at which he is unable to use his household goods and personal effects or whenever the head of the department concerned au-*

thorizes storage of any such property in the public interest or for reasons of economy, storage expenses (including related transportation and other expenses) may be allowed such officer or employee in accordance with regulations prescribed by the President; but in no instance shall the weight of the property stored under this subsection, together with the weight of property transported under subsection (a), exceed the maximum weight limitation provided by subsection (a).

(f) Under such regulations as the President may prescribe, the privately owned motor vehicle of any employee (including any new appointee, in accordance with section 7 of this Act) assigned to a post of duty outside the continental United States on other than temporary duty orders may be transported to, from, and between the continental United States and such post of duty, or between posts of duty outside the continental United States, whenever it is determined by the head of the department concerned to be in the interest of the Government for such employee to have the use of a motor vehicle at his post of duty. Not more than one motor vehicle of any employee may be transported under authority of this subsection during any four-year period, except that, as a replacement for such motor vehicle, one additional motor vehicle of any employee may be so transported during such period upon approval, in advance, by the head of the department concerned and upon a determination, in advance, by such department head that such replacement is necessary for reasons beyond the control of the employee and is in the interest of the Government. After the expiration of a period of four years following the date of transportation under authority of this subsection of a privately owned motor vehicle of any employee who has remained in continuous service outside the continental United States during such period, the transportation of a replacement for such motor vehicle for such employee may be authorized, in accordance with this subsection, by the head of the department concerned. The head of each department may, in accordance with this subsection, authorize the transportation of privately owned motor vehicles of employees of such department, assigned to duty outside the continental United States, by commercial means if available at reasonable rates and under reasonable conditions or by Government means on a space-available basis. This subsection shall not apply to the Foreign Service of the United States under the Department of State and to the Central Intelligence Agency but shall not affect the authority contained in section 913 of the Foreign Service Act of 1946 (60 Stat. 1027; 22 U.S.C. 1138) or paragraph (4) of section 4 of the Central Intelligence Agency Act of 1949 (63 Stat. 210, 72 Stat. 337; 50 U.S.C. 403e (a) (4)).

SEC. 2. * * *.

(Executed and obsolete.)

SEC. 3. * * *.

(Repealed and obsolete.)

SEC. 4. * * *.

(Executed.)

SEC. 5. Persons in the Government service employed intermittently as consultants or experts and receiving compensation on a per diem when actually employed basis may be allowed travel expenses while away from their homes or regular places of business, including per diem in lieu of subsistence while at place of such employment, in accordance with the Standardized Government Travel Regulations, Subsistence Expense Act of 1926, as amended (5 U.S.C. 821-833), and the Act of February 14, 1931, as amended by this Act, and per-

sons serving without compensation or at \$1 per annum may be allowed, while away from their homes or regular places of business, transportation in accordance with said regulations and said Act of February 14, 1931, as so amended, and not to exceed \$15 per diem within the limits of the continental United States and beyond such limits, not to exceed the rates of per diem established by the Director of the Bureau of the Budget pursuant to section 3 of the Travel Expense Act of 1949, as amended (5 U.S.C. 836) in lieu of subsistence en route and at place of such service or employment unless a higher rate is specifically provided in an appropriation or other Act: *And provided further*, That where due to the unusual circumstances of a travel assignment within the limits of the continental United States such maximum per diem allowance would be much less than the amount required to meet the actual and necessary expenses of the trip, the heads of departments and establishments may, in accordance with regulations promulgated by the Director, Bureau of the Budget, pursuant to section 7 of the Travel Expense Act of 1949 as amended (5 U.S.C. 840) prescribe conditions under which reimbursement for such expenses may be authorized on an actual expense basis not to exceed a maximum amount to be specified in the travel authorization, but in any event not to exceed \$25 for each day in travel status.

SEC. 6. Section 10 of the Act of March 3, 1933 (5 U.S.C. 73b), is hereby amended to read as follows:

"SEC. 10. Whenever by or under authority of law actual expenses for transportation may be allowed, such allowances shall not exceed the lowest first-class rate by the transportation facility used in such transportation unless it is certified, in accordance with regulations prescribed by the President, that lowest first-class accommodations are not available or that use of a compartment or such other accommodations as may be authorized or approved by the head of the agency concerned or such subordinates as he may designate, is required for purposes of security."

SEC. 7. (a) Appropriations for the departments shall be available, in accordance with regulations prescribed by the President, for expenses of travel of new appointees, expenses of transportation of their immediate families and expenses of transportation of their household goods and personal effects from places of actual residence at time of appointment to places of employment outside continental United States, and for such expenses on return to employees from their posts of duty outside continental United States to the places of their actual residence at time of assignment to duty outside the United States: *Provided*, That such expenses of travel and transportation to posts of duty outside the continental United States shall not be allowed unless and until the person selected for appointment shall agree in writing to remain in the Government service for twelve months following his appointment, unless separated for reasons beyond his control and acceptable to the department or agency concerned and in case of violation of such agreement any moneys expended by the United States on account of such travel and transportation shall be recoverable from the individual concerned as a debt due the United States: *And provided further*, That expenses of return travel and transportation upon separation from the service shall be allowed whether such separation is for the purposes of the Government or for personal convenience, but shall not be allowed unless such persons selected

for appointment outside the continental United States shall have served for a minimum period of not less than one nor more than three years prescribed in advance by the head of the department or agency concerned or unless separation is for reasons beyond the control of the individual and acceptable to the department or agency concerned: *Provided further*, That expenses of round trip travel of employee and transportation of immediate family but excluding household effects, from their posts of duty outside the continental United States to the places of actual residence at time of appointment or transfer to such overseas posts of duty, shall be allowed in the case of persons who have satisfactorily completed an agreed period of service overseas and are returning to their actual place of residence for the purpose of taking leave prior to serving another tour of duty at the same or some other overseas post, under a new written agreement entered into before departing from the overseas post: *Provided further*, Any officer or employee of the United States appointed by the President, by and with the advice and consent of the Senate, to serve for a term fixed by law, whose post of duty is outside the continental United States, shall be allowed expenses of round trip travel for himself and transportation of his immediate family, but excluding household effects, from his post of duty outside the continental United States to the place of his actual residence at the time of his appointment to such overseas post of duty, at the end of each two years of satisfactory service completed overseas, if he is returning to his actual place of residence for the purpose of taking leave prior to serving at least two more years of overseas duty: *Provided further*, That expenses of transportation of the immediate family and shipment of household effects of any employee from the post of duty of such employee outside continental United States to place of actual residence shall be allowed, not in excess of one time, prior to the return of such employee to the United States, including its Territories and possessions, when the employee has acquired eligibility for such transportation or when the public interest requires the return of the immediate family for compelling personal reasons of a humanitarian or compassionate nature, such as may involve physical or mental health, death of any member of the immediate family, or obligation imposed by authority or circumstances over which the individual has no control: *And provided further*, That when an employee returns his immediate family and household goods to the United States, including its Territories and possessions, at his own expense prior to his return and for other than reasons of public interest, the Government shall reimburse him for proper transportation expenses at such time as he acquires eligibility therefor.

(b) Appropriations for the departments shall be available in accordance with regulations prescribed by the President, for expenses of travel of persons appointed to positions in the natural and mathematical sciences, engineering, and architectural fields, and to related technical positions in the continental United States and Alaska for which there is determined by the Civil Service Commission to be a manpower shortage in those skills which are critical to the national security effort, and for expenses of transportation of their immediate families and their household goods and personal effects and for advances of funds to the extent authorized by section 1(a) and (b) of this Act, from their places of actual residence at time of selection to their first duty station. Such travel expenses may include per diem

and mileage allowance for persons selected for appointment as provided for civilian officers and employees by the Travel Expense Act of 1949, as amended. Travel and transportation expenses may be allowed whether the person selected for appointment has been appointed or not at the time of such travel. However, the travel and transportation expenses authorized by this subsection shall not be allowed unless the person selected for appointment shall agree in writing to remain in the Government service for twelve months following his appointment unless separated for reasons beyond his control and acceptable to the department or agency concerned. In case of violation of such agreement, any moneys expended by the United States on account of such travel and transportation shall be recoverable from the individual concerned as a debt due the United States.

(c) The authority of the Civil Service Commission to determine for purposes of this Act positions for which there is a manpower shortage shall not be delegated. The provisions of subsections (b) and (c) of section 7 of this Act shall expire two years from the date of their enactment into law.

(d) Nothing contained in this section shall impair or otherwise affect the authority of any department under existing law to pay travel and transportation expenses of persons designated in subsection (b) and (c) hereof.

SEC. 8. * * *

(Obsolete.)

SEC. 9. (a) Section 3709 of the Revised Statutes of the United States is hereby amended to read as follows:

"Unless otherwise provided in the appropriation concerned or other law, purchases and contracts for supplies or services for the Government may be made or entered into only after advertising a sufficient time previously for proposals, except (1) when the amount involved in any one case does not exceed \$2,500, (2) when the public exigencies require the immediate delivery of the articles or performance of the service, (3) when only one source of supply is available and the Government purchasing or contracting officer shall so certify, or (4) when the services are required to be performed by the contractor in person and are (A) of a technical and professional nature or (B) under Government supervision and paid for on a time basis. Except (1) as authorized by section 29 of the Surplus Property Act of 1944 (50 U.S.C. App. 1638), (2) when otherwise authorized by law, or (3) when the reasonable value involved in any one case does not exceed \$500, sales and contracts of sale by the Government shall be governed by the requirements of this section for advertising."

(b) Exemptions from section 3709, Revised Statutes, in other law in amounts of \$100 or less are hereby repealed.

(c) In the case of wholly owned Government corporations, this section shall apply to their administrative transactions only.

SEC. 10. Whenever a department is authorized by law to hold hearings and to subpoena witnesses for appearance at said hearings, witnesses summoned to and attending such hearings shall be entitled to the same fees and mileage, or expenses in the case of Government officers and employees, as provided by law for witnesses attending in the United States courts.

SEC. 11. The first sentence of section 3648 of the Revised Statutes (31 U.S.C. 529) is hereby amended to read as follows:

"No advance of public money shall be made in any case unless authorized by the appropriation concerned or other law."

SEC. 12. The head of any department may delegate to subordinate officials (1) the power vested in him by law to take final action on matters pertaining to the employment, direction, and general administration of personnel under his department; (2) the authority vested in him by section 3683 of the Revised Statutes (31 U.S.C. 675) to direct the purchase of articles from contingent funds; and (3) the authority vested in him by section 3828, Revised Statutes (44 U.S.C. 324), to authorize the publication of advertisements, notices or proposals.

SEC. 13. Appropriations available for the procurement of supplies and material or equipment shall be available for the purchase and maintenance of special clothing and equipment for the protection of personnel in the performance of their assigned tasks.

SEC. 14. * * *

(Repealed.)

SEC. 15. The head of any department, when authorized in an appropriation or other Act, may procure the temporary (not in excess of one year) or intermittent services of experts or consultants or organizations thereof, including stenographic reporting services, by contract, and in such cases such service shall be without regard to the civil-service and classification laws (but as to agencies subject to the Classification Act at rates not in excess of the per diem equivalent of the highest rate payable under the Classification Act, unless other rates are specifically provided in the appropriation or other law) and, except in the case of stenographic reporting services by organizations, without regard to section 3709, Revised Statutes, as amended by this Act.

SEC. 16. (a) Section 5 of the Act of July 16, 1914 (5 U.S.C. 78), is amended to read as follows:

"SEC. 5. (a) Unless specifically authorized by the appropriation concerned or other law, no appropriation shall be expended to purchase or hire passenger motor vehicles for any branch of the Government other than those for the use of the President of the United States, the secretaries to the President, or the heads of the executive departments enumerated in 5 U.S.C. 1.

"(b) Excepting appropriations for the Military and Naval Establishments, no appropriation shall be available for the purchase, maintenance, or operation of any aircraft unless specific authority for the purchase, maintenance, or operation thereof has been or is provided in such appropriation.

"(c) Unless otherwise specifically provided, no appropriation available for any department shall be expended—

"(1) to purchase any passenger motor vehicle (exclusive of busses, ambulances, and station wagons), at a cost, completely equipped for operation, and including the value of any vehicle exchanged, in excess of the maximum price therefor, if any, established pursuant to law by a Government agency and in no event more than such amount as may be specified in an appropriation or other Act, which shall be in addition to the amount required for transportation;

“(2) for the maintenance, operation, and repair of any Government-owned passenger motor vehicle or aircraft not used exclusively for official purposes; and ‘official purposes’ shall not include the transportation of officers and employees between their domiciles and places of employment, except in cases of medical officers on out-patient medical service and except in cases of officers and employees engaged in field work the character of whose duties makes such transportation necessary and then only as to such latter cases when the same is approved by the head of the department concerned. Any officer or employee of the Government who willfully uses or authorizes the use of any Government-owned passenger motor vehicle or aircraft, or of any passenger motor vehicle or aircraft leased by the Government, for other than official purposes or otherwise violates the provisions of this paragraph shall be suspended from duty by the head of the department concerned, without compensation, for not less than one month, and shall be suspended for a longer period or summarily removed from office if circumstances warrant. The limitations of this paragraph shall not apply to any motor vehicles or aircraft for official use of the President, the heads of the executive departments enumerated in 5 U.S.C. 1, ambassadors, ministers, *chargés d’affaires*, and other principal diplomatic and consular officials.

“(d) In the budgets for the fiscal year 1948 and subsequent fiscal years there shall be submitted in detail estimates for such necessary appropriations as are intended to be used for purchase or hire of passenger motor vehicles or for purchase, maintenance, or operation of aircraft, specifying the sums required, the public purposes for which said conveyances are intended, the number of currently owned conveyances to be continued in use, and the officials or employees by whom all of such conveyances are to be used.

“(e) The acquisition of aircraft or passenger motor vehicles by any agency by transfer from another department of the Government shall be considered as a purchase within the meaning hereof.”

(b) * * *

(Executed.)

SEC. 17. (a) * * *

(Executed.)

(b) That portion of the Act of July 31, 1876, (44 U.S.C. 321; 19 Stat. 105), reading as follows: “and in no case of advertisement for contracts for the public service shall the same be published in any newspaper published and printed in the District of Columbia unless the supplies or labor covered by such advertisement are to be furnished or performed in said District of Columbia” is hereby amended by adding at the end thereof “or in the adjoining counties of Maryland or Virginia”.

(c) That portion of the Act of June 23, 1906 (3 U.S.C. 43) reading as follows: “not exceeding \$25,000 per annum” is hereby amended to read, “not exceeding \$40,000 per annum”.

SEC. 18. The word “department” as used in this Act shall be construed to include independent establishments, other agencies, wholly owned Government corporations (the transactions of which corporations shall be subject to the authorizations and limitations of this Act, except that section 9 shall apply to their administrative trans-

actions only), and the government of the District of Columbia, but shall not include the Senate, House of Representatives, or office of the Architect of the Capitol, or the officers or employees thereof. The words "continental United States" as used herein shall be construed to mean the forty-eight States and the District of Columbia. The word "Government" shall be construed to include the government of the District of Columbia. The word "appropriation" shall be construed as including funds made available by legislation under section 104 of the Government Corporation Control Act, approved December 6, 1945.

SEC. 19. Sections 1, 3, 4, 5, 7, 14, and 15 of this Act shall not apply to persons whose pay and allowances are established by the Pay Readjustment Act of 1942.

SEC. 20. Sections 1 and 2 of this Act shall become effective on the first day of the third calendar month following the enactment hereof.

SEC. 21. This Act may be cited as the "Administrative Expenses Act of 1946".

SEC. 22. *Under such regulations as the President may prescribe, funds available to the departments for administrative expenses may be allotted to posts in foreign countries and to resident missions to international organizations for representation purposes in the promotion of official policies and programs.*

SEC. 23. *Under such regulations as the President may prescribe, funds available to the departments for administrative expenses may be allotted to posts in foreign countries for the purpose of defraying the unusual expenses incident to the operation and maintenance of official residences suitable for the chief representatives of the United States at such posts and such other senior officials of this Government in foreign countries as the President may designate.*

FOREIGN SERVICE ACT OF 1946

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TITLE IV—CATEGORIES AND SALARIES OF PERSONNEL

* * * * *

PART E—CLASSIFICATION

* * * * *

[ADMINISTRATIVE ESTABLISHMENT OF SALARY DIFFERENTIALS

[SEC. 443. The President may, under such regulations as he may prescribe, establish rates of salary differential, not exceeding 25 per centum of basic salary, for Foreign Service officers, Reserve officers, and staff officers and employees assigned to posts involving extraordinarily difficult living conditions, excessive physical hardship, or notably unhealthful conditions. The Secretary shall prepare and maintain a list of such posts.]

* * * * *

TITLE IX—ALLOWANCES AND BENEFITS

PART A—ALLOWANCES AND SPECIAL ALLOTMENTS

[QUARTERS, COST OF LIVING, AND REPRESENTATION ALLOWANCES

[SEC. 901. In accordance with such regulations as the President may prescribe and notwithstanding the provisions of section 1765 of the Revised Statutes (5 U.S.C. 70), the Secretary is authorized to grant to any officer or employee of the Service who is a citizen of the United States—

[(1) allowances, wherever Government owned or rented quarters are not available, for living quarters, heat, light, fuel, gas and electricity, including allowances for the cost of lodging at temporary quarters, incurred by an officer or employee of the Service and the members of his family upon first arrival at a new post, for a period not in excess of three months after such first arrival or until the occupation of residence quarters, whichever period shall be shorter, up to but not in excess of the aggregate amount of the per diem that would be allowable to such officer or employee for himself and the members of his family for such period if they were in travel status;

[(2) cost-of-living allowances, whenever the Secretary shall determine—

[(i) that the cost of living at a post abroad is proportionately so high that an allowance is necessary to enable an officer or employee of the Service at such post to carry on his work efficiently;

[(ii) that extraordinary and necessary expenses, not otherwise compensated for, are incurred by an officer or employee of the Service incident to the establishment of his residence at any post of assignment abroad or at a post of assignment in the continental United States between assignments to posts abroad;

[(iii) that an allowance is necessary to assist an officer or employee of the Service who is compelled by reason of dangerous, notably unhealthful, or excessive adverse living conditions at his post abroad or for the convenience of the Government to meet the additional expense of maintaining his wife and minor children elsewhere than in the country of his assignment;

[(iv) that extraordinary and necessary expenses, not otherwise compensated for, must be incurred by an officer or employee of the Service, by reason of his service abroad, in providing for adequate elementary and secondary education for his dependents; allowances under this subparagraph for any post shall not exceed the cost of obtaining such educational services as are ordinarily provided without charge by the public schools of the United States plus, in those cases where adequate schools are not available at the post, board and room, and periodic transportation between the post and the nearest locality where adequate schools are available; if any such officer or employee employs a less expensive method

of providing such education, any allowance paid to him shall be reduced accordingly; no allowance shall be paid under this subparagraph for a dependent for whom a travel allowance has been paid under section 911(9);

[(3) allowances in order to provide for the proper representation of the United States by officers or employees of the Service.

[ALLOTMENT FOR OFFICIAL RESIDENCE OF CHIEF AMERICAN REPRESENTATIVE

[SEC. 902. The Secretary may, under such regulations as he may prescribe, make an allotment of funds to any post to defray the unusual expenses incident to the operation and maintenance of official residences suitable for principal representatives of the United States at that post.

[ACCOUNTING FOR ALLOWANCES

[SEC. 903. All such allowances and allotments shall be accounted for to the Secretary in such manner and under such rules and regulations as the President may prescribe. The Secretary shall report all such expenditures annually to the Congress with the budget estimates of the Department.]

* * * * *

PART B—TRAVEL AND RELATED EXPENSES

GENERAL PROVISIONS

SEC. 911. The Secretary may, under such regulations as he shall prescribe, pay—

* * * * *

[(4) the cost of storing the furniture and household and personal effects of an officer or employee of the Service who is absent under orders from his usual post of duty, or who is assigned to a post to which, because of emergency conditions, he cannot take or at which he is unable to use, his furniture and household and personal effects;]

(4) the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Service, when he is absent from his post of assignment under orders, or when he is assigned to a post to which he cannot take or at which he is unable to use such furniture and household and personal effects, or when it is in the public interest or more economical to authorize storage; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law;

[(5) the cost of storing the furniture and household and personal effects of an officer or employee of the Service on first arrival at a post for a period not in excess of three months after such first arrival at such post or until the establishment of residence quarters, whichever shall be shorter;]

(5) the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Service in connection

with assignment or transfer to a new post, from the date of his departure from his last post or from the date of his departure from his place of residence in the case of a new officer or employee and for not to exceed three months after arrival at the new post, or until the establishment of residence quarters, whichever shall be shorter; and, in connection with separation of an officer or employee of the Service, the cost of packing and unpacking, transporting to and from a place of storage, and storing for a period not to exceed three months, his furniture and household and personal effects; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law.

* * * * *

[(9) the travel expenses incurred by an officer or employee of the Service who is assigned to a foreign post, in transporting dependents to and from United States ports of entry designated by the Secretary, to obtain an American secondary or college education, not to exceed one trip each way for each dependent for the purpose of obtaining each type of education.]

* * * * *

TRANSPORTATION OF [AUTOMOBILES] MOTOR VEHICLES

SEC. 913. The Secretary may, notwithstanding the provisions of any other law, transport for or on behalf of an officer or employee of the Service, a privately owned [automobile] motor vehicle in any case [where] in which he shall determine that water, rail, or air transportation of the [automobile] motor vehicle is necessary or expedient for all or any part [or] of [all] the distance between points of origin and destination. Not more than one motor vehicle of any such officer or employee may be transported under authority of this section during any four-year period, except that, as a replacement for such motor vehicle, one additional motor vehicle of any such officer or employee may be so transported during such period upon approval, in advance, by the Secretary and upon a determination, in advance, by the Secretary that such replacement is necessary for reasons beyond the control of the officer or employee and is in the interest of the Government. After the expiration of a period of four years following the date of transportation under authority of this section of a privately owned motor vehicle of any officer or employee who has remained in continuous service outside the continental United States (excluding Alaska and Hawaii) during such period, the transportation of a replacement for such motor vehicle for such officer or employee may be authorized by the Secretary in accordance with this section.

CENTRAL INTELLIGENCE AGENCY ACT OF 1949

AN ACT

To provide for the administration of the Central Intelligence Agency, established pursuant to section 102, National Security Act of 1947, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DEFINITIONS

SECTION 1. That when used in this Act, the term—

(a) "Agency" means the Central Intelligence Agency;

(b) "Director" means the Director of Central Intelligence;

(e) "Government agency" means any executive department, commission, council, independent establishment, corporation wholly or partly owned by the United States which is an instrumentality of the United States, board, bureau, division, service, office, officer, authority, administration, or other establishment, in the executive branch of the [Government; and] *Government*.

[(d) "Continental United States" means the States and the District of Columbia.]

* * * * *

TRAVEL, ALLOWANCES, AND RELATED EXPENSES

SEC. 4. [(a)] Under such regulations as the Director may prescribe, the Agency, with respect to its officers and employees assigned to [permanent-duty stations outside the continental United States, its territories, and possessions] *duty stations outside the several States of the United States of America, excluding Alaska and Hawaii, but including the District of Columbia*, shall—

(1)(A) pay the travel expenses of officers and employees of the [Agency including] *Agency, including* expenses incurred while traveling pursuant to [orders issued by the Director in accordance with the provisions of section 5(a)(3) with regard to the granting of] *authorized home leave*;

(B) pay the travel expenses of members of the family of an officer or employee of the Agency when proceeding to or returning from his post of duty; accompanying him on authorized home leave; or otherwise traveling in accordance with authority granted pursuant to the terms of this or any other Act;

(C) pay the cost of transporting the furniture and household and personal effects of an officer or employee of the Agency to his successive posts of duty and, on the termination of his services, to his residence at time of appointment or to a point not more distant, or, upon retirement, to the place where he will reside;

[(D) pay the cost of storing the furniture and household and personal effects of an officer or employee of the Agency who is absent under orders from his usual post of duty, or who is assigned to a post to which, because of emergency conditions, he cannot take or at which he is unable to use, his furniture and household and personal effects;]

(D) pay the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Agency, when he is absent from his post of assignment under orders, or when he is assigned to a post to which he cannot take or at which he is unable to use such furniture and household and personal effects, or when it is in the public interest or more economical to authorize storage; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law;

[(E) pay the cost of storing the furniture and household and personal effects of an officer or employee of the Agency on first arrival at a post for a period not in excess of three months after such first arrival at such post or until the establishment of residence quarters, whichever shall be shorter;]

(E) pay the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Agency in connection with the assignment or transfer to a new post, from the date of his departure from his last post or from the date of his departure from his place of residence in the case of a new officer or employee and for not to exceed three months after arrival at the new post, or until the establishment of residence quarters, whichever shall be shorter; and in connection with separation of an officer or employee of the Agency, the cost of packing and unpacking, transporting to and from a place of storage, and storing for a period not to exceed three months, his furniture and household and personal effects; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law.

* * * * *

[(3)(A) Order to the United States or its Territories and possessions on leave provided for in 5 U.S.C. 30, 30a, 30b, or as such sections may hereafter be amended, every officer and employee of the agency who was a resident of the United States or its Territories and possessions at time of employment, upon completion of two years' continuous service abroad, or as soon as possible thereafter: *Provided*, That such officer or employee has accrued to his credit at the time of such order, annual leave sufficient to carry him in a pay status while in the United States for at least a thirty-day period.]

(3)(A) Order to any of the several States of the United States of America (including the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States) on leave of absence each officer or employee of the Agency who was a resident of the United States (as described above) at time of employment, upon completion of two years' continuous service abroad, or as soon as possible thereafter.

[(B) While in the continental United States on leave, the service of any officer or employee shall not be available for work or duties except in the agency or for training or for reorientation for work; and the time of such work or duty shall not be counted as leave.]

(B) While in the United States (as described in paragraph (3)(A) of this section) on leave, the service of any officer or employee shall be available for work or duties in the Agency or elsewhere as the Director may prescribe; and the time of such work or duty shall not be counted as leave.

[(C) Where an officer or employee on leave returns to the United States or its Territories and possessions, leave of absence granted shall be exclusive of the time actually and necessarily occupied in going to and from the United States or its Territories and possessions, and such time as may be necessarily occupied in awaiting transportation.]

(C) *Where an officer or employee on leave returns to the United States (as described in paragraph (3)(A) of this section), leave of absence granted shall be exclusive of the time actually and necessarily occupied in going to and from the United States (as so described) and such time as may be necessarily occupied in awaiting transportation.*

(4) Notwithstanding the provisions of any other law, transport for or on behalf of an officer or employee of the Agency, a privately owned [automobile] motor vehicle in any case [where] in which it shall be determined that water, rail, or air transportation of the [automobile] motor vehicle is necessary or expedient for all or any part [or] of [all] the distance between points of origin and destination, and pay the costs of such transportation. *Not more than one motor vehicle of any officer or employee of the Agency may be transported under authority of this paragraph during any four-year period, except that, as a replacement for such motor vehicle, one additional motor vehicle of any such officer or employee may be so transported during such period upon approval, in advance, by the Director and upon a determination, in advance, by the Director that such replacement is necessary for reasons beyond the control of the officer or employee and is in the interest of the Government. After the expiration of a period of four years following the date of transportation under authority of this paragraph of a privately owned motor vehicle of any officer or employee who has remained in continuous service outside the several States of the United States of America, excluding Alaska and Hawaii, but including the District of Columbia, during such period, the transportation of a replacement for such motor vehicle for such officer or employee may be authorized by the Director in accordance with this paragraph.*

* * * * *

[(b) In accordance with such regulations as the President may prescribe and notwithstanding the provisions of section 1765 of the Revised Statutes (5 U.S.C. 70), the Director is authorized to grant to any officer or employee of the Agency allowances in accordance with the provisions of section 901(1) and 901(2) of the Foreign Service Act of 1946.]

SECTION 8 OF THE UNITED NATIONS PARTICIPATION ACT OF 1945, AS AMENDED

SEC. 8. There is hereby authorized to be appropriated annually to the Department of State, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for the payment by the United States of its share of the expenses of the United Nations as apportioned by the General Assembly in accordance with article 17 of the Charter, and for all necessary salaries and expenses of the representatives provided for in section 2 hereof, and of their appropriate staffs, including personal services in the District of Columbia and elsewhere, without regard to the civil-service laws and the Classification Act of 1923, as amended;¹ travel expenses without regard to the Standardized Government Travel Regulations, as amended, the

¹ Reference made to the Classification Act of 1923, as amended, is held and considered to mean the Classification Act of 1949 (see § 1106(a) of the Classification Act of 1949, 63 Stat. 972).

Travel Expense Act of 1949, and section 10 of the Act of March 3, 1933, as amended, and, under such rules and regulations as the Secretary of State may prescribe, travel expenses of families and transportation of effects of United States representatives and other personnel in going to and returning from their post of duty; allowances for living quarters, including heat, fuel, and light, as authorized by the Act approved June 26, 1930 (5 U.S.C. 118a); cost-of-living allowances for personnel stationed abroad under such rules and regulations as the Secretary of State may prescribe; communications services; stenographic reporting, translating, and other services, by contract; hire of passenger motor vehicles and other local transportation; rent of offices; printing and binding without regard to section 11 of the Act of March 1, 1919 (44 U.S.C. 111); allowances and expenses as provided in section 6 of the Act of July 30, 1946 (Public Law 565, Seventy-ninth Congress), and allowances and expenses equivalent to those provided in section 901(3) of the Foreign Service Act of 1946 (Public Law 724, Seventy-ninth Congress); the lease or rental (for periods not exceeding ten years) of living quarters for the use of the representative of the United States to the United Nations referred to in paragraph (a) of section 2 hereof, the cost of installation and use of telephones in the same manner as telephone service is provided for use of the Foreign Service pursuant to the Act of August 23, 1912, as amended (31 U.S.C. 679), [and the allotment of funds, similar to the allotment authorized by section 902 of the Foreign Service Act of 1946, for unusual expenses incident to the operation and maintenance of such living quarters, to be accounted for in accordance with section 903 of said Act;] *and unusual expenses similar to those authorized by section 23 of the Administrative Expenses Act of 1946, as amended by section 321 of the Overseas Differentials and Allowances Act, incident to the operation and maintenance of such living quarters;* and such other expenses as may be authorized by the Secretary of State; all without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5).

SECTIONS 202 AND 203 OF THE ANNUAL AND SICK LEAVE ACT OF 1951

COVERAGE AND EXEMPTIONS

SEC. 202. (a) Except as provided in subsection (b), this title shall apply to all civilian officers and employees of the United States and of the government of the District of Columbia, including officers and employees of corporations wholly owned or controlled by the United States.

(b)(1) This title shall not apply to—

(A) teachers and librarians of the public schools of the District of Columbia;

(B) part-time officers and employees (except hourly employees in the field service of the Post Office Department) for whom there has not been established a regular tour of duty during each administrative workweek;

(C) temporary employees engaged on construction work at hourly rates;

(D) employees of the Canal Zone Government and the Panama Canal Company when employed on the Isthmus of Panama;

(E) commissioned officers of the Public Health Service;

(F) commissioned officers of the Coast and Geodetic Survey;

(G) doctors, dentists, and nurses in the Department of Medicine and Surgery of the Veterans' Administration;

(H) officers and employees of the Senate and House of Representatives; and

(I) officers and employees of any corporation under the supervision of the Farm Credit Administration of which corporation any member of the board of directors is elected or appointed by private interests.

(2) This title, except section 203(g), shall not apply to alien employees who occupy positions outside the [several States and the District of Columbia] *United States*.

(3) Section 204 of this title shall not apply to officers and members of the Metropolitan Police and the Fire Department of the District of Columbia.

(c)(1) This title shall not apply to the following officers in the executive branch of the Government and officers of the government of the District of Columbia, including officers of corporations wholly owned or controlled by the United States:

(A) persons appointed by the President by and with the advice and consent of the Senate, or by the President alone, whose rates of basic compensation exceed the maximum rate provided in the General Schedule of the Classification Act of 1949, as amended;

(B) persons who receive compensation in accordance with section 411 of the Foreign Service Act of 1946; and

(C) such other officers (except postmasters, United States attorneys, and United States marshals) as may be designated by the President.

No officer in the executive branch of the Government and no officer of the government of the District of Columbia, including an officer of a corporation wholly owned or controlled by the United States, to whom this title applies shall be deemed to be entitled to the compensation attached to his office solely by virtue of his status as an officer.

(2) The President, in his discretion, may authorize leaves of absence to persons who are exempted from this title pursuant to subsection (c)(1)(B) for use in the United States and its Territories and possessions. Leaves of absence authorized under this subsection shall not constitute a leave system, and no such leave of absence which is not used shall be made the basis for any lump-sum payment.

(d) *As used in this title, the term "United States" means the several States of the United States of America and the District of Columbia.*

ANNUAL LEAVE

SEC. 203. (a) Officers and employees to whom this title applies shall be entitled to annual leave with pay which shall accrue as follows—

(1) one-half day for each full biweekly pay period in the case of officers and employees with less than three years of service,

(2) three-fourths day for each full biweekly pay period (except

that the accrual for the last full biweekly pay period in the year shall be one and one-fourth days) in the case of officers and employees with three but less than fifteen years of service, and

(3) one day for each full biweekly pay period in the case of officers and employees with fifteen years or more of service.

In determining years of service for the purposes of this subsection, there shall be included all service creditable under the provisions of section 5 of the Civil Service Retirement Act of May 29, 1930, as amended, for the purposes of an annuity under such Act and the determination of the period of service rendered may be made upon the basis of an affidavit of the employee. In the case of an officer or employee who is not paid on the basis of biweekly pay periods, the leave provided by this title shall accrue on the same basis as it would accrue if such officer or employee were paid on the basis of biweekly pay periods.

(b) Any change in the rate of accrual of annual leave by an officer or employee under the provisions of this section shall take effect as of the beginning of the pay period following the pay period, or corresponding period in the case of an officer or employee who is not paid on the basis of biweekly pay periods, in which such officer or employee completes the prescribed period of service.

(c) The annual leave provided for in this section, which is not used by an officer or employee, shall accumulate for use in succeeding years until it totals not to exceed thirty days at the beginning of the first complete biweekly pay period, or corresponding period in the case of an officer or employee who is not paid on the basis of biweekly pay periods, occurring in any year.

(d) Notwithstanding the provisions of subsection (c), a maximum accumulation not to exceed forty-five days at the beginning of the first complete biweekly pay period, or corresponding *pay* period in the case of an officer or employee who is not paid on the basis of biweekly pay periods, in any year is authorized [to] for the following categories of employees of the Federal Government [, other than officers and employees in the Foreign Service of the United States under the Department of State, stationed outside the several States and the District of Columbia:] *stationed outside the United States:*

[(1) Persons directly recruited or transferred from the United States by the Federal Government.

[(2) Persons employed locally but (A) who were originally recruited from the United States and have been in substantially continuous employment by other Federal agencies, United States firms, interests, or organizations, international organizations in which the United States Government participates, or foreign governments, and whose conditions of employment provide for their return transportation to the United States, or (B) who were at the time of employment temporarily absent from the United States for purposes of travel or formal study and maintained residence in the United States during such temporary absence.

[(3) Persons who are not normally residents of the area concerned and who are discharged from the military service of the United States to accept employment with an agency of the Federal Government.]

(1) *Persons directly recruited or transferred by the Federal Government (A) from the United States, or (B) from the Commonwealth of Puerto*

Rico or the possessions of the United States for employment outside the area of recruitment or from which transferred.

(2) *Persons employed locally but (A)(i) who were originally recruited from the United States, or from the Commonwealth of Puerto Rico or the possessions of the United States but outside the area of employment, (ii) who have been in substantially continuous employment by other Federal agencies, United States firms, interests or organizations, international organizations in which the United States Government participates, or foreign governments, and (iii) whose conditions of employment provide for their return transportation to the United States or the Commonwealth of Puerto Rico or the possessions of the United States, or (B)(i) who were at the time of employment temporarily absent, for the purpose of travel or formal study, from the United States, or from their respective places of residence in the Commonwealth of Puerto Rico or the possessions of the United States and (ii) who, during such temporary absence, have maintained residence in the United States or in the Commonwealth of Puerto Rico or the possessions of the United States but outside the area of employment.*

(3) *Persons who are not normally residents of the area concerned and who are discharged from service in the Armed Forces of the United States to accept employment with an agency of the Federal Government.*

[(e) *Where an officer or employee to whom the provisions of subsection (d) are applicable, or who is in the Foreign Service of the United States under the Department of State, and whose post of duty is outside the several States and the District of Columbia returns to any such State or the District of Columbia on leave, the leave granted pursuant to this Act shall be exclusive of the time actually and necessarily occupied in going to and from his post of duty and such time as may be necessarily occupied in awaiting sailing or flight. The provisions of this subsection shall not apply with respect to more than one period of leave in any twenty-four month period.*]

(e) *The leave granted pursuant to this title shall be exclusive of the time actually and necessarily occupied in going to and from the post of duty and exclusive of such time as may be necessarily occupied in awaiting transportation, in the case of an officer or employee (1) who is within the purview of subsection (d) of this section, (2) whose post of duty is outside the United States, and (3) who returns on leave to the United States, or to his place of residence, which is outside the area of employment, in the Commonwealth of Puerto Rico or the possessions of the United States. The provisions of this subsection shall not apply to more than one period of leave in a prescribed tour of duty at a post outside the United States.*

[(f) *Officers and employees in the Foreign Service of the United States under the Department of State may be granted leave of absence, without regard to any other leave provided by this title, for use in the United States, its Territories or possessions, at a rate equivalent to one week for each four months of service outside the several States and the District of Columbia. Such leave may be accumulated for future use without regard to the limitation in subsection (c) but no such leave which is not used shall be made the basis for any terminal leave or lump-sum payment.*]

(f) *Upon completion of twenty-four months of continuous service outside the United States, officers and employees may be granted, in accordance with regulations of the President, leave of absence at a rate*

not to exceed one week for each four months of such service without regard to any other leave provided by this title, for use in the United States, or, if their respective places of residence are outside the area of employment, in the Commonwealth of Puerto Rico or the possessions of the United States. Such leave so granted may be accumulated for future use without regard to the limitation in subsection (d) of this section but no such leave shall be made the basis for any terminal leave or for any lump-sum payment.

(g) Alien employees who occupy positions outside the [several States and the District of Columbia] *United States* may, in the discretion of the head of the department or agency concerned, be granted leave of absence with pay not in excess of the amount of annual and sick leave allowable under this title in the case of citizen employees.

(h) The annual leave provided for in this section, including such leave as will accrue to any officer or employee during the year, may be granted at any time during such year as the heads of the various departments and independent establishments may prescribe.

(i) Notwithstanding the provisions of subsection (a), an officer or employee shall be entitled to annual leave under this title only after having been employed currently for a continuous period of ninety days under one or more appointments without break in service. In any case in which an officer or employee completes a period of continuous employment of ninety days there shall be credited to him an amount of annual leave equal to the amount which, but for this subsection, would have accrued to him under subsection (a) during such period.

SECTIONS 2, 13, AND 14 OF THE ACT OF AUGUST 1, 1956

SEC. 2. The Secretary of State, when funds are appropriated therefor, may—

(a) provide for printing and binding outside the continental United States without regard to section 11 of the Act of March 1, 1919 (44 U.S.C. 111);

[(b) pay the cost of transportation to and from a place of storage and the cost of storing the furniture and household and personal effects of an employee of the Foreign Service who is assigned to a post at which he is unable to use his furniture and effects, under such regulations as the Secretary may prescribe;]

(c) employ aliens, by contract, for services abroad;

(d) provide for official functions and courtesies;

(e) purchase uniforms; and

(f) pay tort claims, in the manner authorized in the first paragraph of section 2672, as amended, of title 28 of the United States Code when such claims arise in foreign countries in connection with Department of State operations abroad.

* * * * *

[SEC. 13. Allowances granted under section 901(1) of the Foreign Service Act of 1946 (22 U.S.C. 1131(1)), may include water, in addition to the utilities specified.

[SEC. 14. Appropriations now or hereafter made available for allowances granted under the authority in part A of title IX of the Foreign Service Act of 1946, as amended (22 U.S.C. 1131), including an allowance for water as authorized in section 13 of this Act shall be available for the payment of such allowances in advance.]

ACT OF JUNE 26, 1930

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That under such regulations as the heads of the respective departments concerned may prescribe and the President approve, civilian officers and employees of the Government having permanent station in a foreign country may be furnished, without cost to them, living quarters, including heat, fuel, and light, in Government-owned or rented buildings [and, where such quarters are not available, may be granted an allowance for living quarters, including heat, fuel, and light, notwithstanding the provisions of section 1765 of the Revised Statutes (U.S.C., title 5, sec. 70)]: *Provided*, That said rented quarters [or allowances in lieu thereof] may be furnished only within the limits of such appropriations as may be made therefor, which appropriations are hereby authorized: *Provided further*, That the provisions of this Act shall apply only to those civilian officers and employees who are citizens of the United States.

SECTION 912 OF THE INTERNAL REVENUE CODE OF 1954

[SEC. 912. EXEMPTION FOR CERTAIN ALLOWANCES.]

[The following items shall not be included in gross income, and shall be exempt from taxation under this subtitle:

[(1) **COST-OF-LIVING ALLOWANCES.**—In the case of civilian officers or employees of the Government of the United States stationed outside continental United States, amounts received as cost-of-living allowances in accordance with regulations approved by the President.

[(2) **FOREIGN SERVICE ALLOWANCES.**—In the case of an officer or employee of the Foreign Service of the United States, amounts received by such officer or employee as allowances or otherwise under the terms of title IX of the Foreign Service Act of 1946 (22 U.S.C. 1131–1158).]

SEC. 912. EXEMPTIONS FOR CERTAIN ALLOWANCES.

The following items shall not be included in gross income, and shall be exempt from taxation under this subtitle:

(1) *FOREIGN AREAS ALLOWANCES.*—*In the case of civilian officers and employees of the Government of the United States, amounts received as allowances or otherwise (but not amounts received as post differentials) under—*

(A) *title IX of the Foreign Service Act of 1946, as amended (22 U.S.C., sec. 1131 and following),*

(B) *section 4 of the Central Intelligence Agency Act of 1949, as amended (50 U.S.C., sec. 403e),*

(C) *title II of the Overseas Differentials and Allowances Act,*
or

(D) *subsection (a), (e), or (f) of the first section of the Administrative Expenses Act of 1946, as amended, or section 22 or 23 of such Act.*

(2) *COST-OF-LIVING ALLOWANCES.*—*In the case of civilian officers or employees of the Government of the United States stationed outside the continental United States (other than Alaska), amounts (other than amounts received under title II of the Overseas Differentials and*

Allowances Act) received as cost-of-living allowances in accordance with regulations approved by the President.

(3) *EXPENSES OF TRAVEL AND TRANSPORTATION.—In the case of civilian officers and employees of the Government of the United States, amounts received as expenses of travel and transportation, or costs of transportation provided in lieu thereof, from posts of duty outside the continental United States (other than Alaska), to and from their respective places of residence, authorized by section 7 of the Administrative Expenses Act of 1946, as amended (5 U.S.C., sec. 73b-3).*

APPENDICES

APPENDIX A

Section 220 of the Standardized Regulations (Government Civilians, Foreign Areas), issued by the Secretary of State, provides as follows:

220 TEMPORARY LODGING ALLOWANCE

221 *Description*

*221.1 *Definition*

"Temporary lodging allowance" means a living-quarters allowance (Sec. 215g) granted to an employee for the cost of lodging, heat, light, fuel (including gas and electricity), and water at temporary quarters for the employee and his family upon their first arrival at a new post.

221.2 *Scope*

Posts are grouped into 10 classes according to lodging costs, that is, the price of room and bath, including taxes, heat, and obligatory service charges, at hotels ordinarily used by Government employees at the respective posts. The price of meals is not included in the computation of this allowance. The amount paid is either the employee's actual daily expenses for allowable items or the maximum prescribed rate, whichever is less (Sec. 931).

222 *Commencement of Grant*

The grant of a temporary lodging allowance shall commence as of:

- a. The date of arrival of the employee at a new post, or the date expenditure for temporary lodging begins, if later;
- b. The date his family arrives at the post, or the date expenditure for temporary lodging begins, if later, when arrival of the employee at a new post is delayed by reason of his being ordered to report at another place for consultation or temporary detail and his family arrives at the new post before him;
- c. The effective date of transfer or the date expenditure for temporary lodging begins, whichever is later, when the employee is on detail or leave at the post to which he is transferred, the effective date of transfer being considered the date of first arrival at the new post.

*223 *Termination of Grant*

The grant of a temporary lodging allowance shall terminate as of one of the following dates, whichever il

earliest, but shall not be terminated solely by reason of the employee's leave without pay status due to personal illness or illness or death of a member of family:

- a. Three months after the date of FIRST ARRIVAL of the employee AT A NEW POST, or of a member of his family if earlier (See. 222b) (Example: A grant which commenced on February 13 would terminate on or before May 12.);
- b. The date payment for temporary lodging ceases;
- e. The date of occupancy of residence quarters;
- d. The date of the employee's departure, or the date of departure of his family if later, under transfer orders. Where the employee's departure for transfer precedes that of his family, the temporary lodging allowance at his previous post shall not extend beyond the date preceding the date of his arrival at his new post.
- e. The last day of his employment if the employee resigns, retires, dies, or is otherwise separated from the agency.

224 *Determination of Maximum Rates*

224.1 *Classified Posts*

The maximum rate at which a temporary lodging allowance may be granted to an employee shall be determined by the classification of his post (See. 920), family status (See. 215e) and the daily rates prescribed in section 931, except that in no case shall an employee be granted a temporary lodging allowance at a rate in excess of the aggregate amount of the per diem that would be allowable to such employee for himself and the members of his family if they were in travel status.

224.2 *Unclassified Posts*

The maximum rate at which a temporary lodging allowance may be granted an employee assigned to a post which is not classified shall be the rate to which he would be entitled under these regulations if the post were classified at the lowest classification within the country of assignment for this type of allowance (See. 920).

225* *Determination of Actual Rate*

*225.1 *General Rule*

The actual rate at which a temporary lodging allowance may be granted to an employee shall be the amount of his daily expenditures for the temporary lodging of himself and/or his family, or the amount of the maximum determined in accordance with section 931 of these regulations, whichever is less. In addition to the daily cost of the room, or rooms, and heat, light, fuel, and water, if charged for separately, such amount may include the daily cost of service fees and taxes imposed by the management and/or municipal or other local government. The cost of food,

beverages, or personally ordered services may not be included. Where meals and lodging are furnished at a single combined rate, the cost of lodging, plus any mandatory service fees and taxes, shall not be considered to be more than 60 percent of the total cost.

225.2 *Supporting Evidence*

Evidence of the daily cost of temporary lodging shall be a certified statement indicating the cost and certifying payment therefor.

226 *Effective Dates of Revisions of Grants*

The grant of a temporary lodging allowance shall be appropriately revised as of:

- a. The effective date of an authorized change in the classification of the post or the rate of the allowance which may be granted; or
- b. The date of a change in the family status of the employee.

227 *Payment*

A temporary lodging allowance shall be paid at daily rates multiplied by 14 to derive a bi-weekly rate.

APPENDIX B

In accordance with the intent of the committee, as set forth in the "Explanation of the Bill, as Reported" (par. (3) of sec. 211), the following are suggested matters to be considered in the preparation of administrative regulations to carry out the purpose of such paragraph (3):

The department or agency head should determine, before the granting of an initial repairs allowance, that (1) the lessor will not assume the cost of the repairs, (2) the quarters are below reasonable standards of health, safety, or comfort in the United States, and (3) no adequate rental quarters meeting such standards were known to be available locally at a rate which, when combined with estimated utility and tax costs, was within the maximum authorized allowance for the officer or employee concerned.

An initial repairs allowance, granted in appropriate case, might include payment or reimbursement of costs incurred within 3 months after completion of a rental agreement, in connection with the first residence quarters at a post, for (1) repairs required to eliminate leakage or drafts, to fortify or replace structural components, or to replace defective plumbing, wiring, heating, lighting, or other essential facilities or equipment, (2) alterations to provide improved access or ventilation and light, such as new or additional windows and doors, and (3) improvements such as required plumbing, heating, or lighting fixtures and equipment, screening, pest controls, insulation where required by extreme climate, painting where needed for hygienic reasons or in connection with authorized repairs or alterations, and other changes to make the quarters reasonably habitable.

The authority to grant initial allowances for repairs, alterations, and improvements is not intended to cover painting other than that specified above; repair, renovation, or replacement of furnishings; erection of additions to any structure or erection or removal of

garages or other outbuildings; improvement of grounds; materials or labor except as required for authorized repairs, alterations, and improvements discussed above; any repairs, alterations, or improvements above reasonable minimum standards of health and safety in the United States, as determined by the department or agency head; any cost of repair, alteration, or improvement incurred later than 3 months after completion of the rental agreement; and any repair, alteration, or improvement to other than the first residence quarters of an officer or employee at a post of duty.

The total initial repairs allowance should be the estimated cost of allowable items, not exceeding the difference between estimated quarters allowance of the officer or employee for 2 years and the maximum authorized quarters allowance for 2 years. No officer or employee should be granted more than one initial repairs allowance during a period of continuous assignment to a post.

APPENDIX C

Studies, reports, and legislation relating to allowances, benefits, and working conditions of Government employees in overseas areas

1. Senate Post Office and Civil Service Committee study conducted pursuant to section 5(b) of Public Law 201, 82d Congress, and report thereon submitted to the Vice President by Senator Olin D. Johnston under date of January 28, 1953 (committee print).

2. House Post Office and Civil Service Committee report entitled "Report of the President's Adviser on Personnel Management on Pay and Personnel Practices of Federal Employees Stationed Overseas," printed in House Report No. 1760, 83d Congress (June 7, 1954).

3. House Post Office and Civil Service Committee (Subcommittee on Civil Service Commission and Personnel Programs) overseas hearings held during the period September 22 to November 2, 1955 (84th Cong., 1st sess.) (printed).

4. House Post Office and Civil Service Committee unanimous report on "Personnel Programs and Policies of the Federal Government in Overseas Operations," printed in House Report No. 2109, 84th Congress (May 3, 1956).

5. House Post Office and Civil Service Committee (Subcommittee on Civil Service) hearings on bills to improve the administration of overseas activities of the Government of the United States, and for other purposes (H.R. 5007 and H.R. 5099) and on bills to provide for health and medical services for civilian employees in Government service overseas and their dependents, and for other purposes (H.R. 5178 and H.R. 5238) (June 10, 1959).

Legislation

Eighty-second Congress: Public Law 201, section 5(b).

Eighty-third Congress: H.R. 9767; H.R. 9768.

Eighty-fourth Congress: H.R. 12193; H.R. 12194.

Eighty-fifth Congress: H.R. 3527; H.R. 6141 (health program); H.R. 12225 (teachers; see Public Law 86-91).

Eighty-sixth Congress: H.R. 4398 and H.R. 4690 (teachers; see Public Law 86-91); H.R. 5007, H.R. 5099, H.R. 7758 (allowances); H.R. 5178 and H.R. 5238 (health program).

86TH CONGRESS
1ST SESSION

Union Calendar No. 388

H. R. 7758

[Report No. 902]

IN THE HOUSE OF REPRESENTATIVES

JUNE 16, 1959

MR. MORRISON introduced the following bill; which was referred to the Committee on Post Office and Civil Service

AUGUST 14, 1959

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To improve the administration of overseas activities of the Government of the United States, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Overseas Differentials and
4 Allowances Act".

5 TITLE I—PURPOSE AND DEFINITIONS

6 PART A—PURPOSE

7 SEC. 101. The Congress hereby declares that it is the
8 purpose of this Act to improve and strengthen the adminis-
9 tration of overseas activities of the Government by—

10 (1) providing a means for more effectively com-
11 pensating Government employees for the extra costs and
12 hardships incident to their assignments overseas,

1 (2) providing for the uniform treatment of Gov-
2 ernment employees stationed overseas to the extent
3 justified by relative conditions of employment,

4 (3) establishing the basis for the more efficient and
5 equitable administration of the laws compensating Gov-
6 ernment employees for the extra costs and hardships
7 incident to their assignments overseas, and

8 (4) facilitating for the Government the recruit-
9 ment and retention of the best qualified personnel for
10 civilian service overseas.

11 PART B—DEFINITIONS

12 SEC. 111. As used in this title, title II, and section
13 522 of title V, the term—

14 (1) “Government” means the Government of the
15 United States of America;

16 (2) “Government agency” means (A) each executive
17 department of the Government, (B) each independent estab-
18 lishment or agency in the executive branch of the Govern-
19 ment, including each corporation wholly owned (either
20 directly or through one or more corporations) by the Gov-
21 ernment, and ~~(C) the General Accounting Office;~~ (C) *the*
22 *General Accounting Office, and (D) the Library of Congress;*

23 (3) “Employee” means an individual employed in the
24 civilian service of a Government agency and more specifi-
25 cally defined in regulations prescribed by the President, but
26 including ambassadors, ministers, and officers of the For-

1 eign Service of the United States under the Department of
2 State;

3 (4) "United States", when used in a geographical sense,
4 means the several States of the United States of America
5 and the District of Columbia;

6 (5) "Continental United States" means the several
7 States of the United States of America, excluding Alaska
8 and Hawaii but including the District of Columbia; and

9 (6) "Foreign area" means any area (including the
10 Trust Territory of the Pacific Islands) situated outside the
11 United States, the Commonwealth of Puerto Rico, the Canal
12 Zone, and the possessions of the United States.

13 TITLE II—ALLOWANCES AND DIFFERENTIALS
14 IN FOREIGN AREAS

15 PART A—GENERAL PROVISIONS

16 SEC. 201. Notwithstanding section 1765 of the Revised
17 Statutes (5 U.S.C. 70), the allowances and differentials
18 provided by this title are authorized for and may be granted
19 only to an employee officially stationed in a foreign area
20 unless otherwise provided in this title—

21 (1) who is a citizen of the United States, and

22 (2) whose rate of basic compensation is fixed by
23 statute or, without taking into consideration the allow-
24 ance and differentials provided by this title, is fixed by
25 administrative action pursuant to law or is fixed

1 administratively in conformity with rates paid by the
2 Government for work of a comparable level of difficulty
3 and responsibility in the continental United States,
4 except that such allowances and differentials may be paid to
5 an employee officially stationed in a foreign area who is not
6 a citizen of the United States to the extent that the payment
7 of such allowances and differentials to such non-citizen em-
8 ployee is authorized by any provision of law other than this
9 title.

10 SEC. 202. Allowances granted under this title may be
11 paid in advance, or advance of funds may be made therefor,
12 through the proper disbursing officer in such sums as may
13 be deemed advisable in consideration of the need and the
14 period of time during which expenditures must be made in
15 advance by the employee or employees. Any advance of
16 funds not subsequently covered by allowances accrued to
17 the employee or employees under this title shall be recover-
18 able by the Government by setoff against accrued salary,
19 pay, compensation, amount of retirement credit, or other
20 amount due from the Government to such employee or
21 employees and by such other method as may be provided by
22 law for the recovery of amounts owing to the Government.

23 SEC. 203. The allowances and differentials authorized
24 by this title shall be paid in accordance with regulations
25 prescribed by the President establishing rules governing pay-

1 ments thereof and the respective rates at which such pay-
2 ments shall be made, the foreign areas, the groups of posi-
3 tions, and the categories of employees to which such rates
4 shall apply, and other related matters.

5 PART B—QUARTERS ALLOWANCES

6 SEC. 211. Whenever Government-owned or Govern-
7 ment-rented quarters are not provided without charge for
8 an employee in a foreign area, one or more of the following
9 quarters allowances may be granted to such employee where
10 applicable:

11 (1) A temporary lodging allowance for the reason-
12 able cost of temporary quarters incurred by the employee
13 and his family (A) for a period not in excess of three
14 months after first arrival at a new post of assignment in a
15 foreign area or a period ending with the occupation of resi-
16 dence quarters, whichever shall be shorter, and (B) for a
17 period of not more than one month immediately preceding
18 final departure from the post subsequent to the necessary
19 evacuation of residence quarters;

20 (2) A living quarters allowance for rent, heat, light,
21 fuel, gas, electricity, and water, without regard to the limi-
22 tations of section 3648 of the Revised Statutes, as amended
23 (31 U.S.C. 529) ; and

24 (3) Under unusual circumstances payment or reim-
25 bursement for extraordinary, necessary, and reasonable ex-

1 penses, not otherwise compensated for, incurred in initial re-
2 pairs, alterations, and improvements to an employee's
3 privately leased residence at a post of assignment in a foreign
4 area, if such expenses are administratively approved in ad-
5 vance and if the duration and terms of the lease justify
6 payment of such expenses by the Government.

7 PART C—COST-OF-LIVING ALLOWANCES

8 SEC. 221. The following cost-of-living allowances may
9 be granted, where applicable, to an employee in a foreign
10 area:

11 (1) A post allowance to offset the difference between
12 the cost of living at the post of assignment of the employee
13 in a foreign area and the cost of living in Washington, Dis-
14 trict of Columbia;

15 (2) A transfer allowance for extraordinary, necessary,
16 and reasonable expenses, not otherwise compensated for,
17 incurred by an employee incident to establishing himself at
18 any post of assignment in a foreign area or at a post of
19 assignment in the United States between assignments to
20 posts in foreign areas;

21 (3) A separate maintenance allowance to assist an em-
22 ployee who is compelled, by reason of dangerous, notably
23 unhealthful, or excessively adverse living conditions at his
24 post of assignment in a foreign area or for the convenience
25 of the Government, to meet the additional expense of main-

1 taining, elsewhere than at such post, his wife or his de-
2 pendants, or both;

3 (4) An education allowance or payment of transporta-
4 tion costs to assist an employee with the extraordinary and
5 necessary expenses, not otherwise compensated for, incurred
6 by reason of his service in any foreign area or foreign areas
7 in providing adequate education for his dependents, as
8 follows:

9 (A) An allowance not to exceed the cost of obtain-
10 ing such elementary and secondary educational services as
11 are ordinarily provided without charge by the public schools
12 in the United States, plus, in those cases where adequate
13 schools are not available at the employee's post, board and
14 room, and periodic transportation between such post and
15 the nearest locality, where adequate schools are available,
16 without regard to the limitations of section 3648 of the
17 Revised Statutes, as amended (31 U.S.C. 529) ; but the
18 amount of the allowance granted shall be determined on the
19 basis of the educational facility used;

20 (B) The cost of transporting dependents of an em-
21 ployee to and from a school in the United States to obtain
22 an American secondary or undergraduate college education,
23 not to exceed one trip each way for each dependent for the
24 purpose of obtaining each type of education; but no allow-
25 ance payments under subparagraph (A) of this paragraph

1 (4) shall be made for any dependent during the twelve
2 months following his arrival in the United States for sec-
3 ondary education pursuant to authority contained in this
4 subparagraph (B). Notwithstanding section 111(6) of
5 this Act, transportation, for the purpose of obtaining under-
6 graduate college education, may be authorized under this
7 subparagraph (B), under such regulations as the President
8 may prescribe, for dependents of employees who are citizens
9 of the United States stationed in the Canal Zone.

10 PART D—POST DIFFERENTIAL

11 SEC. 231. A post differential may be granted on the
12 basis of conditions of environment which differ substantially
13 from conditions of environment in the continental United
14 States and warrant additional compensation as a recruit-
15 ment and retention incentive. Such differential also may be
16 granted to any employee who is officially stationed in the
17 United States and who is on extended detail in a foreign area.
18 Additional compensation paid as a post differential shall not
19 in any instance exceed 25 per centum of the rate of basic
20 compensation.

21 TITLE III—MISCELLANEOUS EXPENSES

22 PART A—REPRESENTATION EXPENSES

23 SEC. 301. The Administrative Expenses Act of 1946
24 (60 Stat. 806), as amended, is amended by adding at the
25 end thereof the following new section:

1 “SEC. 22. Under such regulations as the President may
2 prescribe, funds available to the departments for administra-
3 tive expenses may be allotted to posts in foreign countries
4 and to resident missions to international organizations for
5 representation purposes in the promotion of official policies
6 and programs.”

7 PART B—STORAGE

8 SEC. 311. (a) Paragraphs (4) and (5) of section 911
9 of the Foreign Service Act of 1946 (22 U.S.C. 1136 (4)
10 and (5)) are amended to read as follows:

11 “(4) the cost of packing and unpacking, transport-
12 ing to and from a place of storage, and storing the
13 furniture and household and personal effects of an officer
14 or employee of the Service, when he is absent from his
15 post of assignment under orders, or when he is as-
16 signed to a post to which he cannot take or at which
17 he is unable to use such furniture and household and
18 personal effects, or when it is in the public interest or
19 more economical to authorize storage; but in no instance
20 shall the weight or volume of the effects stored together
21 with the weight or volume of the effects transported
22 exceed the maximum limitations fixed by regulations,
23 when not otherwise fixed by law;

24 “(5) the cost of packing and unpacking, transport-

1 ing to and from a place of storage, and storing the
2 furniture and household and personal effects of an officer
3 or employee of the Service in connection with assign-
4 ment or transfer to a new post, from the date of his
5 departure from his last post or from the date of his
6 departure from his place of residence in the case of a
7 new officer or employee and for not to exceed three
8 months after arrival at the new post, or until the
9 establishment of residence quarters, whichever shall be
10 shorter; and, in connection with separation of an officer
11 or employee of the Service, the cost of packing and un-
12 packing, transporting to and from a place of storage, and
13 storing for a period not to exceed three months, his
14 furniture and household and personal effects; but in no
15 instance shall the weight or volume of the effects stored
16 together with the weight or volume of the effects trans-
17 ported exceed the maximum limitations fixed by regu-
18 lations, when not otherwise fixed by law.”

19 (b) Paragraphs (1) (D) and (E) of section 4 of the
20 Central Intelligence Agency Act of 1949 (63 Stat. 209,
21 72 Stat. 337; 50 U.S.C. 403e (a) (1) (D) and (E)) are
22 amended to read as follows:

23 “(D) pay the cost of packing and unpacking,
24 transporting to and from a place of storage, and storing
25 the furniture and household and personal effects of an

1 officer or employee of the Agency, when he is absent
2 from his post of assignment under orders, or when he is
3 assigned to a post to which he cannot take or at which
4 he is unable to use such furniture and household and
5 personal effects, or when it is in the public interest or
6 more economical to authorize storage; but in no instance
7 shall the weight or volume of the effects stored together
8 with the weight or volume of the effects transported
9 exceed the maximum limitations fixed by regulations,
10 when not otherwise fixed by law;

11 “(E) pay the cost of packing and unpacking, trans-
12 porting to and from a place of storage, and storing the
13 furniture and household and personal effects of an officer
14 or employee of the Agency in connection with assign-
15 ment or transfer to a new post, from the date of his de-
16 parture from his last post or from the date of his de-
17 parture from his place of residence in the case of a
18 new officer or employee and for not to exceed three
19 months after arrival at the new post, or until the es-
20 tablishment of residence quarters, whichever shall be
21 shorter; and in connection with separation of an officer
22 or employee of the Agency, the cost of packing and
23 unpacking, transporting to and from a place of storage,
24 and storing for a period not to exceed three months, his
25 furniture and household and personal effects; but in no

1 instance shall the weight or volume of the effects stored
2 together with the weight or volume of the effects trans-
3 ported exceed the maximum limitations fixed by regu-
4 lations, when not otherwise fixed by law.”

5 (c) The first section of the Administrative Expenses
6 Act of 1946 (60 Stat. 806), as amended (5 U.S.C. 73b-1),
7 is amended—

8 (1) by striking out “(not to exceed seven thousand
9 pounds if uncrated or eight thousand seven hundred and
10 fifty pounds if crated or the equivalent thereof when
11 transportation charges are based on cubic measure-
12 ment)” in subsection (a) of such section and inserting
13 in lieu thereof “(not to exceed seven thousand pounds
14 net weight)”; and

15 (2) by adding at the end of such section the follow-
16 ing new subsection:

17 “(e) Whenever any civilian officer or employee (in-
18 cluding any new appointee in accordance with section 7 of
19 this Act) is assigned to a permanent duty station outside the
20 continental United States to which he cannot take or at
21 which he is unable to use his household goods and personal
22 effects or whenever the head of the department concerned
23 authorizes storage of any such property in the public interest
24 or for reasons of economy, storage expenses (including re-
25 lated transportation and other expenses) may be allowed

1 such officer or employee in accordance with regulations pre-
2 scribed by the President; but in no instance shall the weight
3 of the property stored under this subsection, together with
4 the weight of property transported under subsection (a), ex-
5 ceed the maximum weight limitation provided by subsection
6 (a).”

7 (d) The term “furniture and household and personal
8 effects”, as used in the amendments made by this part to
9 the Foreign Service Act of 1946, as amended, and the Cen-
10 tral Intelligence Agency Act of 1949, as amended, and the
11 term “household goods and personal effects”, as used in the
12 amendments made by this part to the Administrative Ex-
13 penses Act of 1946, as amended, mean such personal prop-
14 erty of an employee and the dependents of such employee
15 as the Secretary of State and the Director of Central Intelli-
16 gence, as the case may be, with respect to the term “furni-
17 ture and household and personal effects”, and the President,
18 with respect to the term “household goods and personal
19 effects”, shall by regulation authorize to be transported or
20 stored under the amendments made by this part to such Acts
21 (including, in emergencies, motor vehicles authorized to be
22 shipped at Government expense). Such motor vehicle shall
23 be excluded from the weight and volume limitations pre-
24 scribed by the laws set forth in this part.

1 PART C—OFFICIAL RESIDENCE EXPENSES

2 SEC. 321. (a) The Administrative Expenses Act of
3 1946 (60 Stat. 806), as amended, is amended by adding
4 thereto, immediately following the new section 22 added to
5 such Act by section 301 of this Act, the following new
6 section:

7 “SEC. 23. Under such regulations as the President may
8 prescribe, funds available to the departments for admin-
9 istrative expenses may be allotted to posts in foreign coun-
10 tries for the purpose of defraying the unusual expenses inci-
11 dent to the operation and maintenance of official residences
12 suitable for the chief representatives of the United States at
13 such posts and such other senior officials of this Government
14 in foreign countries as the President may designate.”

15 (b) Section 8 of the United Nations Participation Act
16 of 1945, as amended (22 U.S.C. 287e), is amended by
17 striking out “and the allotment of funds, similar to the
18 allotment authorized by section 902 of the Foreign Service
19 Act of 1946, for unusual expenses incident to the operation
20 and maintenance of such living quarters, to be accounted for
21 in accordance with section 903 of said Act;” and inserting in
22 lieu thereof “and unusual expenses similar to those authorized
23 by section 23 of the Administrative Expenses Act of 1946,
24 as amended by section 321 of the Overseas Differentials and

1 Allowances Act, incident to the operation and maintenance
2 of such living quarters;”.

3 PART D—TRANSPORTATION OF MOTOR VEHICLES

4 SEC. 331. The first section of the Administrative Ex-
5 penses Act of 1946 (60 Stat. 806), as amended (5 U.S.C.
6 73b-1), is amended by adding thereto, immediately follow-
7 ing the new subsection (e) added to such first section by
8 section 311 (c) of this Act, the following new subsection:

9 “(f) Under such regulations as the President may pre-
10 scribe, the privately owned motor vehicle of any employee
11 (including any new appointee, in accordance with section
12 7 of this Act) assigned to a post of duty outside the conti-
13 nental United States on other than temporary duty orders
14 may be transported to, from, and between the continental
15 United States and such post of duty, or between posts of
16 duty outside the continental United States, whenever it is
17 determined by the head of the department concerned to be
18 in the interest of the Government for such employee to have
19 the use of a motor vehicle at his post of duty. Not more
20 than one motor vehicle of any employee may be transported
21 under authority of this subsection during any four-year pe-
22 riod, except that, as a replacement for such motor vehicle,
23 one additional motor vehicle of any employee may be so
24 transported during such period upon approval, in advance,

1 by the head of the department concerned and upon a deter-
2 mination, in advance, by such department head that such
3 replacement is necessary for reasons beyond the control of
4 the employee and is in the interest of the Government. After
5 the expiration of a period of four years following the date
6 of transportation under authority of this subsection of a
7 privately owned motor vehicle of any employee who has
8 remained in continuous service outside the continental United
9 States during such period, the transportation of a replace-
10 ment for such motor vehicle for such employee may be
11 authorized, in accordance with this subsection, by the head of
12 the department concerned. The head of each department
13 may, in accordance with this subsection, authorize the trans-
14 portation of privately owned motor vehicles of employees
15 of such department, assigned to duty outside the continental
16 United States, by commercial means if available at reason-
17 able rates and under reasonable conditions or by Govern-
18 ment means on a space-available basis. This subsection shall
19 not apply to the Foreign Service of the United States under
20 the Department of State and to the Central Intelligence
21 Agency but shall not affect the authority contained in sec-
22 tion 913 of the Foreign Service Act of 1946 (60 Stat.
23 1027; 22 U.S.C. 1138) or paragraph (4) of section 4
24 of the Central Intelligence Agency Act of 1949 (63 Stat.
25 210, 72 Stat. 337; 50 U.S.C. 403e (a) (4)).”

1 SEC. 332. Section 913 of the Foreign Service Act of
2 1946 (60 Stat. 1027; 22 U.S.C. 1138) is amended to read
3 as follows:

4 “TRANSPORTATION OF MOTOR VEHICLES

5 “SEC. 913. The Secretary may, notwithstanding the
6 provisions of any other law, transport for or on behalf of an
7 officer or employee of the Service, a privately owned motor
8 vehicle in any case in which he shall determine that water,
9 rail, or air transportation of the motor vehicle is necessary
10 or expedient for all or any part of the distance between
11 points of origin and destination. Not more than one motor
12 vehicle of any such officer or employee may be transported
13 under authority of this section during any four-year period,
14 except that, as a replacement for such motor vehicle, one
15 additional motor vehicle of any such officer or employee may
16 be so transported during such period upon approval, in ad-
17 vance, by the Secretary and upon a determination, in advance,
18 by the Secretary that such replacement is necessary for
19 reasons beyond the control of the officer or employee and
20 is in the interest of the Government. After the expiration
21 of a period of four years following the date of transportation
22 under authority of this section of a privately owned motor
23 vehicle of any officer or employee who has remained in
24 continuous service outside the continental United States (ex-
25 cluding Alaska and Hawaii) during such period, the trans-

1 portation of a replacement for such motor vehicle for such
2 officer or employee may be authorized by the Secretary in
3 accordance with this section.”

4 SEC. 333. (a) That part of section 4 (a) of the Cen-
5 tral Intelligence Agency Act of 1949, as amended (63 Stat.
6 209, 73 Stat. 337; 50 U.S.C. 403e), which precedes para-
7 graph (1) thereof, is amended—

8 (1) by striking out “(a)”; and

9 (2) by striking out “permanent-duty stations out-
10 side the continental United States, its territories, and
11 possessions,” and inserting in lieu thereof “duty stations
12 outside the several States of the United States of Ameri-
13 ca, excluding Alaska and Hawaii, but including the
14 District of Columbia,”.

15 (b) Paragraph (4) of section 4 of the Central Intelli-
16 gency Agency Act of 1949, as amended (63 Stat. 210, 73
17 Stat. 337; 50 U.S.C. 403e (a) (4)), is amended to read
18 as follows:

19 “(4) Notwithstanding the provisions of any other
20 law, transport for or on behalf of an officer or employee
21 of the Agency, a privately owned motor vehicle in any
22 case in which it shall be determined that water, rail, or
23 air transportation of the motor vehicle is necessary or
24 expedient for all or any part of the distance between
25 points of origin and destination, and pay the costs of

1 such transportation. Not more than one motor vehicle
2 of any officer or employee of the Agency may be trans-
3 ported under authority of this paragraph during any
4 four-year period, except that, as a replacement for such
5 motor vehicle, one additional motor vehicle of any such
6 officer or employee may be so transported during such
7 period upon approval, in advance, by the Director and
8 upon a determination, in advance, by the Director that
9 such replacement is necessary for reasons beyond the
10 control of the officer or employee and is in the interest
11 of the Government. After the expiration of a period of
12 four years following the date of transportation under au-
13 thority of this paragraph of a privately owned motor
14 vehicle of any officer or employee who has remained in
15 continuous service outside the several States of the
16 United States of America, excluding Alaska and Hawaii,
17 but including the District of Columbia, during such pe-
18 riod, the transportation of a replacement for such motor
19 vehicle for such officer or employee may be authorized
20 by the Director in accordance with this paragraph."

21 TITLE IV—AMENDMENTS TO ANNUAL AND SICK
22 LEAVE ACT OF 1951

23 SEC. 401. Subsections (d), (e), and (f) of section 203
24 of the Annual and Sick Leave Act of 1951, as amended

1 (5 U.S.C. 2062 (d), (e), and (f)), are amended to
2 read as follows:

3 “(d) Notwithstanding the provisions of subsection (c),
4 a maximum accumulation not to exceed forty-five days at
5 the beginning of the first complete biweekly pay period, or
6 corresponding pay period in the case of an officer or em-
7 ployee who is not paid on the basis of biweekly pay periods,
8 in any year is authorized for the following categories of em-
9 ployees of the Federal Government stationed outside the
10 United States:

11 “(1) Persons directly recruited or transferred by the
12 Federal Government (A) from the United States, or (B)
13 from the Commonwealth of Puerto Rico or the possessions
14 of the United States for employment outside the area of re-
15 cruitment or from which transferred.

16 “(2) Persons employed locally but (A) (i) who were
17 originally recruited from the United States, or from the
18 Commonwealth of Puerto Rico or the possessions of the
19 United States but outside the area of employment, (ii) who
20 have been in substantially continuous employment by other
21 Federal agencies, United States firms, interests or organiza-
22 tions, international organizations in which the United States
23 Government participates, or foreign governments, and (iii)
24 whose conditions of employment provide for their return
25 transportation to the United States or the Commonwealth of

1 Puerto Rico or the possessions of the United States, or
2 (B) (i) who were at the time of employment temporarily
3 absent, for the purpose of travel or formal study, from the
4 United States, or from their respective places of residence in
5 the Commonwealth of Puerto Rico or the possessions of the
6 United States and (ii) who, during such temporary absence,
7 have maintained residence in the United States or in the Com-
8 monwealth of Puerto Rico or the possessions of the United
9 States but outside the area of employment.

10 “(3) Persons who are not normally residents of the
11 area concerned and who are discharged from service in the
12 Armed Forces of the United States to accept employment
13 with an agency of the Federal Government.

14 “(e) The leave granted pursuant to this title shall be
15 exclusive of the time actually and necessarily occupied in
16 going to and from the post of duty and exclusive of such
17 time as may be necessarily occupied in awaiting transporta-
18 tion, in the case of an officer or employee (1) who is within
19 the purview of subsection (d) of this section, (2) whose
20 post of duty is outside the United States, and (3) who
21 returns on leave to the United States, or to his place of
22 residence, which is outside the area of employment, in the
23 Commonwealth of Puerto Rico or the possessions of the
24 United States. The provisions of this subsection shall not

1 apply to more than one period of leave in a prescribed tour
2 of duty at a post outside the United States.

3 “(f) Upon completion of twenty-four months of
4 continuous service outside the United States, officers
5 and employees may be granted, in accordance with regula-
6 tions of the President, leave of absence at a rate not to
7 exceed one week for each four months of such service
8 without regard to any other leave provided by this title, for
9 use in the United States, or, if their respective places of
10 residence are outside the area of employment, in the Com-
11 monwealth of Puerto Rico or the possessions of the United
12 States. Such leave so granted may be accumulated for
13 future use without regard to the limitation in subsection
14 (d) of this section but no such leave shall be made the
15 basis for any terminal leave or for any lump-sum payment.”

16 SEC. 402. (a) Section 202 (b) (2) of the Annual and
17 Sick Leave Act of 1951, as amended (5 U.S.C. 2061 (b)
18 (2)), is amended to read as follows:

19 “(2) This title, except section 203 (g) , shall not apply
20 to alien employees who occupy positions outside the United
21 States.”

22 (b) Section 203 (g) of such Act, as amended (5 U.S.C.
23 2062 (g)) , is amended by striking out “the several States and
24 the District of Columbia” and inserting in lieu thereof “the
25 United States”.

1 (c) Section 202 of such Act, as amended (5 U.S.C.
2 2061), is amended by adding at the end of such section
3 the following new subsection:

4 “(d) As used in this title, the term ‘United States’
5 means the several States of the United States of America
6 and the District of Columbia.”

7 SEC. 403. The amendments made by this title to the
8 Annual and Sick Leave Act of 1951, as amended, shall take
9 effect on the first day of the first pay period following the
10 date of enactment of this Act.

11 TITLE V—APPROPRIATION, REPEAL, AMENDA-
12 TORY, AND MISCELLANEOUS PROVISIONS

13 PART A—APPROPRIATION PROVISIONS

14 SEC. 501. (a) There are hereby authorized to be ap-
15 propriated such sums as may be necessary to carry out the
16 purposes of this Act and the amendments made by this Act.

17 (b) Appropriations or funds otherwise available, for
18 the fiscal year ending June 30, 1960, to any department,
19 agency, establishment or corporation of the Government of
20 the United States of America within the purview of this
21 Act or of any amendment made by this Act are hereby made
22 available for the purposes of this Act and of any such
23 amendment in accordance with the authority contained in
24 this Act or contained in any law amended by this Act and

1 in accordance with such regulations as the President may
2 prescribe.

3 PART B—REPEAL AND AMENDATORY PROVISIONS

4 SEC. 511. (a) The following provisions of law are
5 hereby repealed:

6 (1) Sections 443, 901, 902, 903, and 911(9) of the
7 Foreign Service Act of 1946, as amended (60 Stat. 1006,
8 1025, and 1026; 69 Stat. 27; 22 U.S.C. 888, 1131, 1132,
9 1133, and 1136(9)) ;

10 (2) Sections 2(b), 13, and 14 of the Act entitled “An
11 Act to provide certain basic authority for the Department
12 of State”, approved August 1, 1956 (70 Stat. 890, 892;
13 Public Law 885, Eighty-fourth Congress; 5 U.S.C. 170g
14 (b), 170r, and 170s) ; and

15 (3) Sections 1(d) and 4(b) of the Central Intelli-
16 gence Agency Act of 1949, as amended (63 Stat. 208 and
17 211; 50 U.S.C. 403a(d) and 403e(b)).

18 (b) Any provision of law which is not repealed by sub-
19 section (a) of this section but is inconsistent with any pro-
20 vision of this Act or of any amendment made by this Act
21 shall be held and considered to be amended, modified, or
22 superseded to the extent necessary to carry out the purposes
23 of and conform to such provision of this Act or of such
24 amendment.

25 (c) (1) Section 1(c) of the Central Intelligence
26 Agency Act of 1949 (63 Stat. 208; 50 U.S.C. 403a(c))

1 is amended by striking out "Government; and" and insert-
2 ing in lieu thereof "Government."

3 (2) Paragraph (1) (A) of section 4 of the Central
4 Intelligence Agency Act of 1949, as amended (63 Stat. 209;
5 72 Stat. 337; 50 U.S.C. 403e (a) (1) (A)), is amended to
6 read as follows:

7 " (1) (A) pay the travel expenses of officers and
8 employees of the Agency, including expenses incurred
9 while traveling pursuant to authorized home leave;".

10 (3) Paragraph (3) (A) of section 4 of such Act (63
11 Stat. 209 and 210; 72 Stat. 337; 50 U.S.C. 403e (a) (3)
12 (A)) is amended to read as follows:

13 " (3) (A) Order to any of the several States of
14 the United States of America (including the District of
15 Columbia, the Commonwealth of Puerto Rico, and any
16 territory or possession of the United States) on leave
17 of absence each officer or employee of the Agency who
18 was a resident of the United States (as described above)
19 at time of employment, upon completion of two years'
20 continuous service abroad, or as soon as possible there-
21 after."

22 (4) Paragraph (3) (B) of section 4 of such Act (63
23 Stat. 210; 72 Stat. 337; 50 U.S.C. 403e (a) (3) (B)) is
24 amended to read as follows:

25 " (B) While in the United States (as described in

1 paragraph (3) (A) of this section) on leave, the service
2 of any officer or employee shall be available for work or
3 duties in the Agency or elsewhere as the Director may
4 prescribe; and the time of such work or duty shall not be
5 counted as leave.”

6 (5) Paragraph (3) (C) of section 4 of such Act (63
7 Stat. 210; 72 Stat. 337; 50 U.S.C. 403e (a) (3) (C)) is
8 amended to read as follows:

9 “(C) Where an officer or employee on leave returns
10 to the United States (as described in paragraph (3) (A)
11 of this section), leave of absence granted shall be ex-
12 clusive of the time actually and necessarily occupied in
13 going to and from the United States (as so described)
14 and such time as may be necessarily occupied in awaiting
15 transportation.”

16 (6) The Act entitled “An Act to provide living quarters,
17 including heat, fuel, and light, for civilian officers and em-
18 ployees of the Government stationed in foreign countries”,
19 approved June 26, 1930 (46 Stat. 818; Public Law 445,
20 Seventy-first Congress; 5 U.S.C. 118a), is amended—

21 (A) by striking out “and, where such quarters are
22 not available, may be granted an allowance for living
23 quarters, including heat, fuel, and light, notwithstanding
24 the provisions of section 1765 of the Revised Statutes
25 (U.S.C., title 5, sec. 70)”; and

(B) by striking out that part of the first proviso of such Act of June 26, 1930, which reads “or allowances in lieu thereof”.

PART C—MISCELLANEOUS PROVISIONS

SEC. 521. Whenever reference is made in any other law or in any regulation to any provision of law which is repealed, modified, amended, or superseded by reason of section 511 of this Act, such reference, unless inconsistent with this Act, shall be held and considered to refer to this Act or the appropriate provision of, or amendment made by, this Act.

SEC. 522. Notwithstanding any provision of this Act and until such time as regulations are issued under this Act, employees shall continue to be paid allowances and differentials in accordance with rules and regulations issued pursuant to the laws in effect immediately prior to the enactment of this Act and such rules and regulations may be amended or revoked in accordance with the provisions of such laws.

SEC. 523. (a) Section 912 of the Internal Revenue Code of 1954 (relating to exemption for certain allowances) is amended to read as follows:

“SEC. 912. EXEMPTIONS FOR CERTAIN ALLOWANCES.

“The following items shall not be included in gross income, and shall be exempt from taxation under this subtitle:

“(1) FOREIGN AREAS ALLOWANCES.—In the case

1 of civilian officers and employees of the Government of
 2 the United States, amounts received as allowances or
 3 otherwise (but not amounts received as post differen-
 4 tials) under—

5 “(A) title IX of the Foreign Service Act of
 6 1946, as amended (22 U.S.C., sec. 1131 and
 7 following),

8 “(B) section 4 of the Central Intelligence
 9 Agency Act of 1949, as amended (50 U.S.C., sec.
 10 403e),

11 “(C) title II of the Overseas Differentials and
 12 Allowances Act, or

13 “(D) subsection ~~(a)~~, ~~(e)~~, or ~~(f)~~ (e) or (f)
 14 of the first section of the Administrative Expenses
 15 Act of 1946, as amended, or section 22 or 23 of
 16 such Act.

17 “(2) COST-OF-LIVING ALLOWANCES.—In the case
 18 of civilian officers or employees of the Government of
 19 the United States stationed outside the continental
 20 United States (other than Alaska), amounts (other than
 21 amounts received under title II of the Overseas Differen-
 22 tials and Allowances Act) received as cost-of-living
 23 allowances in accordance with regulations approved by
 24 the ~~President~~. *President*.”

25 “~~(3) EXPENSES OF TRAVEL AND TRANSPORTA-~~

1 TION.—In the case of civilian officers and employees of
2 the Government of the United States, amounts received
3 as expenses of travel and transportation, or costs of
4 transportation provided in lieu thereof, from posts of
5 duty outside the continental United States (other than
6 Alaska), to and from their respective places of residence,
7 authorized by section 7 of the Administrative Expenses
8 Act of 1946, as amended (5 U.S.C., sec. 73b-3).”

9 (b) Paragraphs (1) and (2) of section 912 of the
10 Internal Revenue Code of 1954, as amended by subsec-
11 tion (a) of this section, shall apply only with respect to
12 amounts received on or after the date of the enactment of
13 this Act in taxable years ending on or after such date. Para-
14 graph (3) of section 912 of the Internal Revenue Code of
15 1954, as amended by subsection (a) of this section, shall
16 apply only with respect to amounts received after Decem-
17 ber 31, 1958, in taxable years ending after such date.

86TH CONGRESS
1ST SESSION

H. R. 7758

[Report No. 902]

A BILL

To improve the administration of overseas activities of the Government of the United States, and for other purposes.

By Mr. MORRISON

JUNE 16, 1959

Referred to the Committee on Post Office and Civil Service

AUGUST 14, 1959

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

GENERAL LEAVE TO EXTEND

Mrs. GRANAHAH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend or revise and extend their remarks at this point in the RECORD on the bill just under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MEADER. Mr. Speaker, I desire to call the attention of the House to an article in the September 1, 1959, issue of the Bulletin of the American Society of Newspaper Editors. This article is written by Clark Mollenhoff, a reporter for the Des Moines Register, who has made a special study of a very important subject. I refer to the right and the power of the Congress to obtain information from the executive branch of Government.

Increasingly congressional committees have been confronted with a refusal on the part of agencies and departments of the Government to provide information necessary for the congressional committees to make intelligent judgments in their legislative jurisdiction and in their investigative work.

The article reviews briefly the history of the efforts on the part of Members and leaders in the House of Representatives, including the efforts of my colleague, the gentleman from Virginia, the Honorable PORTER HARDY, Jr., chairman of the Foreign Operations and Monetary Affairs Subcommittee of the House Committee on Government Operations. I commend this article to the attention of all Members of Congress because of its basic importance to the prerogatives and to the rights and powers of the Congress of the United States. I am not, in inserting this article, endorsing all of the statements made by Mr. Mollenhoff, particularly those which relate to legal problems.

There are two paragraphs particularly which I wish to call to the attention of the Members. One is this paragraph which I read as follows:

The Congress has made its intentions clear on this matter of executive privilege. Supporters of HARDY's position concede that the cutting off of funds for the ICA would still leave the Attorney General in a position in which he could thwart the will of Congress.

I do not concede that is an accurate statement of the law.

Another paragraph I will read is as follows:

Some consideration is being given to further legislation that would give the Comptroller General the right to go to court to force production of records without relying on the Attorney General, a member of the executive family.

If there is such a movement I know nothing whatever about it.

This matter is now of exceptional interest because the other body is considering the mutual security appropriation bill which contains language offered by the gentleman from Virginia [Mr.

HARDY] and unanimously adopted by the House of Representatives. When that bill becomes law we will test whether or not Congress may use its power of the purse to compel respect by Government agencies for the congressional power of investigation.

Mr. HARDY. Mr. Speaker, will the gentleman yield?

Mr. MEADER. I yield.

Mr. HARDY. First of all, let me commend the gentleman for calling the attention of the House to the article by Mollenhoff in the American Society of Newspaper Editors Bulletin and also for calling attention to these particular two paragraphs. It seems to me there is a fundamental error in that approach. In the first place it is inconceivable to me that anybody in the executive branch of the Government would need any prodding to enforce the law.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

Mrs. GRANAHAH. Mr. Speaker, I yield 2 additional minutes to the gentleman from Michigan.

Mr. MEADER. I yield further to the gentleman from Virginia.

Mr. HARDY. Let us raise no question about this. Personnel in the executive branch who are concerned with this matter are all sworn to uphold the Constitution and to carry out the law. Let there be no assumptions that there will be willful violations either of the provision of the Mutual Security Act which relates to furnishing information to Congress or to the companion provision which the House put in the appropriation bill.

Mr. MEADER. I thank the gentleman and agree with him that this provision should cause no difficulty whatever. It will however compel officials and agents in the executive branch of the Government to respect the right of the Congress to be more informed and accurately informed and completely informed about the public business.

Mr. HARDY. If the gentleman will yield further, I would just like to make this observation. The gentleman from Michigan has been most diligent in trying to preserve and protect the rights of the Congress and I commend him for bringing this matter to the attention of the Congress at this time.

Mr. MEADER. I thank the gentleman.

Mr. Speaker, I insert the text of the Mollenhoff article at this point in my remarks:

[From the Bulletin of American Society of Newspaper Editors, Sept. 1, 1959]

MOLLENHOFF REPORT—NEW PATTERN DEVELOPS IN FIGHT AGAINST THE BROAD CLAIM OF EXECUTIVE PRIVILEGE

The problem of secrecy in the executive branch of the Government received the attention of the Senate and House, and a pattern developed that could become a standard means of fighting the broad claim of executive privilege.

Irritated with the refusal of the International Cooperation Administration to make certain internal reports available to Congress and the General Accounting Office, Representative PORTER HARDY attached amendments to the bills for authorization and appropriation in the foreign-aid area.

The first Hardy amendment was attached to the foreign-aid authorization bill in the House, and was accepted by the Senate. It provided simply that all reports of the ICA and of an inspector general established for the ICA should be made available to the auditors of the General Accounting Office and the properly authorized committees and subcommittees of Congress.

THE PRESIDENTS PROTESTS

President Eisenhower signed the foreign-aid authorization bill with this provision in it, but commented at the time that the executive branch would continue to exert its executive privilege to refuse to make available inspector general reports, evaluation reports, and reports with recommendations in them. The President reasoned that there is a constitutional right for the executive branch to withhold any testimony on records involving advice or recommendations within the executive branch of Government.

Representative HARDY took sharp issue with this, and declared that President Eisenhower and the legal advisers in the White House were using an "item veto" to state what parts of the law would be obeyed and which would not.

At this point, HARDY was successful in attaching an amendment to the foreign aid appropriations bill. It provides that funds shall be cut off from any division of the ICA 20 days after a request for information is refused GAO or a proper committee of Congress.

Despite sharp criticism of this by President Eisenhower as an invasion of the power of the executive branch, HARDY gained support of Democrats as well as Republicans on the Senate side of the Capitol.

HARDY ACTION MAY BE IMITATED

HARDY pointed out that Comptroller General Joseph Campbell has informed the Congress that "executive privilege" claims are hampering his access to records in the auditing of the Navy, Air Force, and ICA. HARDY declared that he is only one of many congressional committee chairmen who are concerned about the refusal of the executive branch to make information available.

Others have indicated to HARDY and to Representative JOHN MOSS that they will seek to use the same type of amendments used by HARDY to force production of records by other departments.

HARDY declared that it is absurd for the executive branch to claim that it is unconstitutional for Congress to use its power over the purse strings to force executive agencies to account to Congress on the expenditure of public funds.

The Congress has made its intentions clear on this matter of executive privilege. Supporters of Hardy's position concede that the cutting off of funds for the ICA would still leave the Attorney General in a position in which he could thwart the will of Congress.

Some consideration is being given to further legislation that would give the Comptroller General the right to go to court to force production of records without relying on the Attorney General, a member of the executive family.

NATIONAL SECURITY NOT INVOLVED

There has been a tendency on the part of some in the executive department and some newspapers to treat the executive privilege problem as if national security was involved.

The ICA, Air Force, and Navy have admitted there is no problem of defense secrets or diplomatic secrets involved in the refusal to make reports available to the GAO and Congress. There are specific laws which allow secrecy where military security or diplomatic matters are involved.

What is at stake is the claim of the executive department that it can arbitrarily withhold any record from the GAO or Congress if that record contains any recom-

mentation or advice. Leonard J. Saccio, Deputy Director of the ICA, has admitted to Congress that under this definition almost any paper or document could be withheld from the CAO or Congress.

The SPEAKER. The time of the gentleman has expired.

OVERSEAS DIFFERENTIALS AND ALLOWANCES ACT

Mr. MURRAY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7758) to improve the administration of overseas activities of the Government of the United States, and for other purposes, with amendments, which I send to the Clerk's desk.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Overseas Differentials and Allowances Act".

TITLE I—PURPOSE AND DEFINITIONS

Part A—Purpose

SEC. 101. The Congress hereby declares that it is the purpose of this Act to improve and strengthen the administration of overseas activities of the Government by—

(1) providing a means for more effectively compensating Government employees for the extra costs and hardships incident to their assignments overseas,

(2) providing for the uniform treatment of Government employees stationed overseas to the extent justified by relative conditions of employment,

(3) establishing the basis for the more efficient and equitable administration of the laws compensating Government employees for the extra costs and hardships incident to their assignments overseas, and

(4) facilitating for the Government the recruitment and retention of the best qualified personnel for civilian service overseas.

Part B—Definitions

SEC. 111. As used in this title, title II, and section 522 of title V, the term—

(1) "Government" means the Government of the United States of America;

(2) "Government agency" means (A) each executive department of the Government, (B) each independent establishment or agency in the executive branch of the Government, including each corporation wholly owned (either directly or through one or more corporations) by the Government, (C) the General Accounting Office, and (D) the Library of Congress;

(3) "Employee" means an individual employed in the civilian service of a Government agency and more specifically defined in regulations prescribed by the President, but including ambassadors, ministers, and officers of the Foreign Service of the United States under the Department of State;

(4) "United States", when used in a geographical sense, means the several States of the United States of America and the District of Columbia;

(5) "Continental United States" means the several States of the United States of America, excluding Alaska and Hawaii but including the District of Columbia; and

(6) "Foreign area" means any area (including the Trust Territory of the Pacific Islands) situated outside the United States, the Commonwealth of Puerto Rico, the Canal Zone, and the possessions of the United States.

TITLE II—ALLOWANCES AND DIFFERENTIALS IN FOREIGN AREAS

Part A—General provisions

SEC. 201. Notwithstanding section 1765 of the Revised Statutes (5 U.S.C. 70), the allowances and differentials provided by this

title are authorized for and may be granted only to an employee officially stationed in a foreign area unless otherwise provided in this title—

(1) who is a citizen of the United States, and

(2) whose rate of basic compensation is fixed by statute or, without taking into consideration the allowances and differentials provided by this title, is fixed by administrative action pursuant to law or is fixed administratively in conformity with rates paid by the Government for work of a comparable level of difficulty and responsibility in the continental United States,

except that such allowances and differentials may be paid to an employee officially stationed in a foreign area who is not a citizen of the United States to the extent that the payment of such allowances and differentials to such non-citizen employee is authorized by any provision of law other than this title.

SEC. 202. Allowances granted under this title may be paid in advance, or advance of funds may be made therefor, through the proper disbursing officer in such sums as may be deemed advisable in consideration of the need and the period of time during which expenditures must be made in advance by the employee or employees. Any advance of funds not subsequently covered by allowances accrued to the employee or employees under this title shall be recoverable by the Government by setoff against accrued salary, pay, compensation, amount of retirement credit, or other amount due from the Government to such employee or employees and by such other method as may be provided by law for the recovery of amounts owing to the Government.

SEC. 203. The allowances and differentials authorized by this title shall be paid in accordance with regulations prescribed by the President establishing rules governing payments thereof and the respective rates at which such payments shall be made, the foreign areas, the groups of positions, and the categories of employees to which such rates shall apply, and other related matters.

Part B—Quarters allowances

SEC. 211. Whenever Government-owned or Government-rented quarters are not provided without charge for an employee in a foreign area, one or more of the following quarters allowances may be granted to such employee where applicable:

(1) A temporary lodging allowance for the reasonable cost of temporary quarters incurred by the employee and his family (A) for a period not in excess of three months after first arrival at a new post of assignment in a foreign area or a period ending with the occupation of residence quarters, whichever shall be shorter, and (B) for a period of not more than one month immediately preceding final departure from the post subsequent to the necessary evacuation of residence quarters;

(2) A living quarters allowance for rent, heat, light, fuel, gas, electricity, and water, without regard to the limitations of section 3648 of the Revised Statutes, as amended (31 U.S.C. 529); and

(3) Under unusual circumstances payment or reimbursement for extraordinary, necessary, and reasonable expenses, not otherwise compensated for, incurred in initial repairs, alterations, and improvements to an employee's privately leased residence at a post of assignment in a foreign area, if such expenses are administratively approved in advance and if the duration and terms of the lease justify payment of such expenses by the Government.

Part C—Cost-of-living allowances

SEC. 221. The following cost-of-living allowances may be granted, where applicable, to an employee in a foreign area:

(1) A post allowance to offset the difference between the cost of living at the post

of assignment of the employee in a foreign area and the cost of living in Washington, District of Columbia;

(2) A transfer allowance for extraordinary, necessary, and reasonable expenses, not otherwise compensated for, incurred by an employee incident to establishing himself at any post of assignment in a foreign area or at a post of assignment in the United States between assignments to posts in foreign areas;

(3) A separate maintenance allowance to assist an employee who is compelled, by reason of dangerous, notably unhealthful, or excessively adverse living conditions at his post of assignment in a foreign area or for the convenience of the Government, to meet the additional expense of maintaining, elsewhere than at such post, his wife, or his dependents, or both;

(4) An education allowance or payment of transportation costs to assist an employee with the extraordinary and necessary expenses, not otherwise compensated for, incurred by reason of his service in any foreign area or foreign areas in providing adequate education for his dependents, as follows:

(A) An allowance not to exceed the cost of obtaining such elementary and secondary educational services as are ordinarily provided without charge by the public schools in the United States, plus, in those cases where adequate schools are not available at the employee's post, board and room, and periodic transportation between such post and the nearest locality, where adequate schools are available, without regard to the limitations of section 3648 of the Revised Statutes, as amended (31 U.S.C. 529); but the amount of the allowance granted shall be determined on the basis of the educational facility used;

(B) The cost of transporting dependents of an employee to and from a school in the United States to obtain an American secondary or undergraduate college education, not to exceed one trip each way for each dependent for the purpose of obtaining each type of education; but no allowance payments under subparagraph (A) of this paragraph (4) shall be made for any dependent during the twelve months following his arrival in the United States for secondary education pursuant to authority contained in this subparagraph (B). Notwithstanding section 111(6) of this Act, transportation, for the purpose of obtaining undergraduate college education, may be authorized under this subparagraph (B), under such regulations as the President may prescribe, for dependents of employees who are citizens of the United States stationed in the Canal Zone.

Part D—Post differential

SEC. 231. A post differential may be granted on the basis of conditions of environment which differ substantially from conditions of environment in the continental United States and warrant additional compensation as a recruitment and retention incentive. Such differential also may be granted to any employee who is officially stationed in the United States and who is on extended detail in a foreign area. Additional compensation paid as a post differential shall not in any instance exceed 25 per centum of the rate of basic compensation.

TITLE III—MISCELLANEOUS EXPENSES

Part A—Storage

SEC. 301. (a) Paragraphs (4) and (5) of section 911 of the Foreign Service Act of 1946 (22 U.S.C. 1136 (4) and (5)) are amended to read as follows:

"(4) the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Service, when he is absent from his post of assignment under orders, or when he is assigned to a post to which he cannot take or at which he is unable to use such

furniture and household and personal effects, or when it is in the public interest or more economical to authorize storage; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law;

"(5) the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Service in connection with assignment or transfer to a new post, from the date of his departure from his last post or from the date of his departure from his place of residence in the case of a new officer or employee and for not to exceed three months after arrival at the new post, or until the establishment of residence quarters, whichever shall be shorter; and, in connection with separation of an officer or employee of the Service, the cost of packing and unpacking, transporting to and from a place of storage, and storing for a period not to exceed three months, his furniture and household and personal effects; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law."

(b) Paragraphs (1) (D) and (E) of section 4 of the Central Intelligence Agency Act of 1949 (63 Stat. 209, 72 Stat. 337; 50 U.S.C. 403e(a) (1) (D) and (E)) are amended to read as follows:

"(D) pay the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Agency, when he is absent from his post of assignment under orders, or when he is assigned to a post to which he cannot take or at which he is unable to use such furniture and household and personal effects, or when it is in the public interest or more economical to authorize storage; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law;

"(E) pay the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Agency in connection with assignment or transfer to a new post, from the date of his departure from his last post or from the date of his departure from his place of residence in the case of a new officer or employee and for not to exceed three months after arrival at the new post, or until the establishment of residence quarters, whichever shall be shorter; and in connection with separation of an officer or employee of the Agency, the cost of packing and unpacking, transporting to and from a place of storage, and storing for a period not to exceed three months, his furniture and household and personal effects; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law."

(c) The first section of the Administrative Expenses Act of 1946 (60 Stat. 806) as amended (5 U.S.C. 73b-1), is amended—

(1) by striking out "(not to exceed seven thousand pounds if uncrated or eight thousand seven hundred and fifty pounds if crated or the equivalent thereof when transportation charges are based on cubic measurement)" in subsection (a) of such section and inserting in lieu thereof "(not to exceed seven thousand pounds net weight)"; and

(2) by adding at the end of such section the following new subsection:

"(e) Whenever any civilian officer or employee (including any new appointee in accordance with section 7 of this Act) is assigned to a permanent duty station outside the continental United States to which he cannot take or at which he is unable to use his household goods and personal effects or whenever the head of the department concerned authorizes storage of any such property in the public interest or for reasons of economy, storage expenses (including related transportation and other expenses) may be allowed such officer or employee in accordance with regulations prescribed by the President; but in no instance shall the weight of the property stored under this subsection, together with the weight of property transported under subsection (a), exceed the maximum weight limitation provided by subsection (a)."

(d) The term "furniture and household and personal effects", as used in the amendments made by this part to the Foreign Service Act of 1946, as amended, and the Central Intelligence Agency Act of 1949, as amended, and the term "household goods and personal effects", as used in the amendments made by this part to the Administrative Expenses Act of 1946, as amended, mean such personal property of an employee and the dependents of such employee as the Secretary of State and the Director of Central Intelligence, as the case may be, with respect to the term "furniture and household and personal effects", and the President, with respect to the term "household goods and personal effects", shall by regulation authorize to be transported or stored under the amendments made by this part to such Acts (including, in emergencies, motor vehicles authorized to be shipped at Government expense). Such motor vehicle shall be excluded from the weight and volume limitations prescribed by the laws set forth in this part.

Part B—Official residence expenses

SEC. 311. (a) The Administrative Expenses Act of 1946 (60 Stat. 806), as amended, is amended by adding at the end thereof the following new section:

"SEC. 22. Under such regulations as the President may prescribe, funds available to the departments for administrative expenses may be allotted to posts in foreign countries for the purpose of defraying the unusual expenses incident to the operation and maintenance of official residences suitable for the chief representatives of the United States at such posts and such other senior officials of this Government in foreign countries as the President may designate."

(b) Section 8 of the United Nations Participation Act of 1945, as amended (22 U.S.C. 287e), is amended by striking out "and the allotment of funds, similar to the allotment authorized by section 902 of the Foreign Service Act of 1946, for unusual expenses incident to the operation and maintenance of such living quarters, to be accounted for in accordance with section 903 of said Act;" and inserting in lieu thereof "and unusual expenses similar to those authorized by section 22 of the Administrative Expenses Act of 1946, as amended by section 311 of the Overseas Differentials and Allowances Act, incident to the operation and maintenance of such living quarters."

Part C—Transportation of motor vehicles

SEC. 321. The first section of the Administrative Expenses Act of 1946 (60 Stat. 806), as amended (5 U.S.C. 73b-1), is amended by adding thereto, immediately following the new subsection (e) added to such first section by section 301(c) of this Act, the following new subsection:

"(f) Under such regulations as the President may prescribe, the privately owned motor vehicle of any employee (including any new appointee, in accordance with section 7 of this Act) assigned to a post of duty outside the continental United States on other than temporary duty orders may be transported to, from, and between the continental United States and such post of duty, or between posts of duty outside the continental United States, whenever it is determined by the head of the department concerned to be in the interest of the Government for such employee to have the use of a motor vehicle at his post of duty. Not more than one motor vehicle of any employee may be transported under authority of this subsection during any four-year period, except that, as a replacement for such motor vehicle, one additional motor vehicle of any employee may be so transported during such period upon approval, in advance, by the head of the department concerned and upon a determination, in advance, by such department head that such replacement is necessary for reasons beyond the control of the employee and is in the interest of the Government. After the expiration of a period of four years following the date of transportation under authority of this subsection of a privately owned motor vehicle of any employee who has remained in continuous service outside the continental United States during such period, the transportation of a replacement for such motor vehicle for such employee may be authorized, in accordance with this subsection, by the head of the department concerned. The head of each department may, in accordance with this subsection, authorize the transportation of privately owned motor vehicles of employees of such department, assigned to duty outside the continental United States, by commercial means if available at reasonable rates and under reasonable conditions or by Government means on a space-available basis. This subsection shall not apply to the Foreign Service of the United States under the Department of State and to the Central Intelligence Agency but shall not affect the authority contained in section 913 of the Foreign Service Act of 1946 (60 Stat. 1027; 22 U.S.C. 1138) or paragraph (4) of section 4 of the Central Intelligence Agency Act of 1949 (63 Stat. 210, 72 Stat. 337; 50 U.S.C. 403e(a) (4))."

SEC. 322. Section 913 of the Foreign Service Act of 1946 (60 Stat. 1027; 22 U.S.C. 1138) is amended to read as follows:

"Transportation of Motor Vehicles

"SEC. 913. The Secretary may, notwithstanding the provisions of any other law, transport for or on behalf of an officer or employee of the Service, a privately owned motor vehicle in any case in which he shall determine that water, rail, or air transportation of the motor vehicle is necessary or expedient for all or any part of the distance between points of origin and destination. Not more than one motor vehicle of any such officer or employee may be transported under authority of this section during any four-year period, except that, as a replacement for such motor vehicle, one additional motor vehicle of any such officer or employee may be so transported during such period upon approval, in advance, by the Secretary and upon a determination, in advance, by the Secretary that such replacement is necessary for reasons beyond the control of the officer or employee and is in the interest of the Government. After the expiration of a period of four years following the date of transportation under authority of this section of a privately owned motor vehicle of any officer or employee who has remained in continuous service outside the continental United States (excluding Alaska and Hawaii) during such period, the transportation of a replacement for such motor vehicle for such

officer or employee may be authorized by the Secretary in accordance with this section."

SEC. 323 (a) That part of section 4(a) of the Central Intelligence Agency Act of 1949, as amended (63 Stat. 209, 73 Stat. 337; 50 U.S.C. 403e), which precedes paragraph (1) thereof, is amended—

(1) by striking out "(a)"; and

(2) by striking out "permanent-duty stations outside the continental United States, its territories, and possessions," and inserting in lieu thereof "duty stations outside the several States of the United States of America, excluding Alaska and Hawaii, but including the District of Columbia,".

(b) Paragraph (4) of section 4 of the Central Intelligence Agency Act of 1949, as amended (63 Stat. 210, 73 Stat. 337; 50 U.S.C. 403e(a) (4)), is amended to read as follows:

"(4) Notwithstanding the provisions of any other law, transport for or on behalf of an officer or employee of the Agency, a privately owned motor vehicle in any case in which it shall be determined that water, rail, or air transportation of the motor vehicle is necessary or expedient for all or any part of the distance between points of origin and destination, and pay the costs of such transportation. Not more than one motor vehicle of any officer or employee of the Agency may be transported under authority of this paragraph during any four-year period, except that, as a replacement for such motor vehicle, one additional motor vehicle of any such officer or employee may be so transported during such period upon approval, in advance, by the Director and upon a determination, in advance, by the Director that such replacement is necessary for reasons beyond the control of the officer or employee and is in the interest of the Government. After the expiration of a period of four years following the date of transportation under authority of this paragraph of a privately owned motor vehicle of any officer or employee who has remained in continuous service outside the several States of the United States of America, excluding Alaska and Hawaii, but including the District of Columbia, during such period, the transportation of a replacement for such motor vehicle for such officer or employee may be authorized by the Director in accordance with this paragraph."

TITLE IV—AMENDMENTS TO ANNUAL AND SICK LEAVE ACT OF 1951

SEC. 401. Subsections (d), (e), and (f) of section 203 of the Annual and Sick Leave Act of 1951, as amended (5 U.S.C. 2062 (d), (e), and (f)), are amended to read as follows:

"(d) Notwithstanding the provisions of subsection (c), a maximum accumulation not to exceed forty-five days at the beginning of the first complete biweekly pay period, or corresponding pay period in the case of an officer or employee who is not paid on the basis of biweekly pay periods, in any year is authorized for the following categories of employees of the Federal Government stationed outside the United States:

"(1) Persons directly recruited or transferred by the Federal Government (A) from the United States, or (B) from the Commonwealth of Puerto Rico or the possessions of the United States for employment outside the area of recruitment or from which transferred.

"(2) Persons employed locally but (A) (i) who were originally recruited from the United States, or from the Commonwealth of Puerto Rico or the possessions of the United States but outside the area of employment, (ii) who have been in substantially continuous employment by other Federal agencies, United States firms, interests or organizations, international organizations in which the United States Government participates, or foreign governments, and (iii) whose conditions of employment provide for

their return transportation to the United States or the Commonwealth of Puerto Rico or the possessions of the United States, or (B) (i) who were at the time of employment temporarily absent, for the purpose of travel or formal study, from the United States, or from their respective places of residence in the Commonwealth of Puerto Rico or the possessions of the United States and (ii) who, during such temporary absence, have maintained residence in the United States or in the Commonwealth of Puerto Rico or the possessions of the United States but outside the area of employment.

"(3) Persons who are not normally residents of the area concerned and who are discharged from service in the Armed Forces of the United States to accept employment with an agency of the Federal Government.

"(e) The leave granted pursuant to this title shall be exclusive of the time actually and necessarily occupied in going to and from the post of duty and exclusive of such time as may be necessarily occupied in awaiting transportation, in the case of an officer or employee (1) who is within the purview of subsection (d) of this section, (2) whose post of duty is outside the United States, and (3) who returns on leave to the United States, or to his place of residence, which is outside the area of employment, in the Commonwealth of Puerto Rico or the possessions of the United States. The provisions of this subsection shall not apply to more than one period of leave in a prescribed tour of duty at a post outside the United States.

"(f) Upon completion of twenty-four months of continuous service outside the United States, officers and employees may be granted, in accordance with regulations of the President, leave of absence at a rate not to exceed one week for each four months of such service without regard to any other leave provided by this title, for use in the United States, or, if their respective places of residence are outside the area of employment, in the Commonwealth of Puerto Rico or the possessions of the United States. Such leave so granted may be accumulated for future use without regard to the limitation in subsection (d) of this section but no such leave shall be made the basis for any terminal leave or for any lump-sum payment."

SEC. 402. (a) Section 202(b)(2) of the Annual and Sick Leave Act of 1951, as amended (5 U.S.C. 2061(b)(2)), is amended to read as follows:

"(2) This title, except section 203(g), shall not apply to alien employees who occupy positions outside the United States."

(b) Section 203(g) of such Act, as amended (5 U.S.C. 2062(g)), is amended by striking out "the several States and the District of Columbia" and inserting in lieu thereof "the United States".

(c) Section 202 of such Act, as amended (5 U.S.C. 2061), is amended by adding at the end of such section the following new subsection:

"(d) As used in this title, the term 'United States' means the several States of the United States of America and the District of Columbia."

SEC. 403. The amendments made by this title to the Annual and Sick Leave Act of 1951, as amended, shall take effect on the first day of the first pay period following the date of enactment of this Act.

TITLE V—APPROPRIATION, REPEAL, AMENDATORY, AND MISCELLANEOUS PROVISIONS

Part A—Appropriation provisions

SEC. 501. (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act and the amendments made by this Act.

(b) Appropriations or funds otherwise available, for the fiscal year ending June 30, 1960, to any department, agency, establish-

ment or corporation of the Government of the United States of America within the purview of this Act or of any amendment made by this Act are hereby made available for the purposes of this Act and of any such amendment in accordance with the authority contained in this Act or contained in any law amended by this Act and in accordance with such regulations as the President may prescribe.

Part B—Repeal with amendatory provisions

SEC. 511. (a) The following provisions of law are hereby repealed:

(1) Sections 443, 901 (1) and (2), 902, 903, and 911(9) of the Foreign Service Act of 1946, as amended (60 Stat. 1006, 1025, and 1026; 69 Stat. 27; 22 U.S.C. 888, 1131, 1132, 1133, and 1136(9));

(2) Sections 2(b), 13, and 14 of the Act entitled "An Act to provide certain basic authority for the Department of State", approved August 1, 1956 (70 Stat. 890, 892; Public Law 885, Eighty-fourth Congress; 5 U.S.C. 170g(b), 170r, and 170s); and

(3) Sections 1(d) and 4(b) of the Central Intelligence Agency Act of 1949, as amended (63 Stat. 208 and 211; 50 U.S.C. 403a(d) and 403e(b)).

(b) Any provision of law which is not repealed by subsection (a) of this section but is inconsistent with any provision of this Act or of any amendment made by this Act shall be held and considered to be amended, modified, or superseded to the extent necessary to carry out the purposes of and conform to such provision of this Act or of such amendment.

(c) (1) Section 1(c) of the Central Intelligence Agency Act of 1949 (63 Stat. 208; 50 U.S.C. 403a(c)) is amended by striking out "Government; and" and inserting in lieu thereof "Government."

(2) Paragraph (1)(A) of section 4 of the Central Intelligence Agency Act of 1949, as amended (63 Stat. 209; 72 Stat. 337; 50 U.S.C. 403e(a)(1)(A)), is amended to read as follows:

"(1)(A) pay the travel expenses of officers and employees of the Agency, including expenses incurred while traveling pursuant to authorized home leave;"

(3) Paragraph (3)(A) of section 4 of such Act (63 Stat. 209 and 210; 72 Stat. 337; 50 U.S.C. 403e(a)(3)(A)) is amended to read as follows:

"(3)(A) Order to any of the several States of the United States of America (including the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States) on leave of absence each officer or employee of the Agency who was a resident of the United States (as described above) at time of employment, upon completion of two years' continuous service abroad, or as soon as possible thereafter."

(4) Paragraph (3)(B) of section 4 of such Act (63 Stat. 210; 72 Stat. 337; 50 U.S.C. 403e(a)(3)(B)) is amended to read as follows:

"(B) While in the United States (as described in paragraph (3)(A) of this section) on leave, the service of any officer or employee shall be available for work or duties in the Agency or elsewhere as the Director may prescribe; and the time of such work or duty shall not be counted as leave."

(5) Paragraph (3)(C) of section 4 of such Act (63 Stat. 210; 72 Stat. 337; 50 U.S.C. 403e(a)(3)(C)) is amended to read as follows:

"(C) Where an officer or employee on leave returns to the United States (as described in paragraph (3)(A) of this section), leave of absence granted shall be exclusive of the time actually and necessarily occupied in going to and from the United States (as so described) and such time as may be necessarily occupied in awaiting transportation."

(6) The Act entitled "An Act to provide living quarters, including heat, fuel, and light, for civilian officers and employees of the Government stationed in foreign countries", approved June 26, 1930 (46 Stat. 818; Public Law 445, Seventy-first Congress; 5 U.S.C. 118a), is amended—

(A) by striking out "and, where such quarters are not available, may be granted an allowance for living quarters, including heat, fuel, and light, notwithstanding the provisions of section 1765 of the Revised Statutes (U.S.C., title 5, sec. 70)"; and

(B) by striking out that part of the first proviso of such Act of June 26, 1930, which reads "or allowances in lieu thereof".

Part C—Miscellaneous provisions

SEC. 521. Whenever reference is made in any other law or in any regulation to any provision of law which is repealed, modified, amended, or superseded by reason of section 511 of this Act, such reference, unless inconsistent with this Act, shall be held and considered to refer to this Act or the appropriate provision of, or amendment made by, this Act.

SEC. 522. Notwithstanding any provision of this Act and until such time as regulations are issued under this Act, employees shall continue to be paid allowances and differentials in accordance with rules and regulations issued pursuant to the laws in effect immediately prior to the enactment of this Act and such rules and regulations may be amended or revoked in accordance with the provisions of such laws.

SEC. 523. (a) Section 912 of the Internal Revenue Code of 1954 (relating to exemption for certain allowances) is amended to read as follows:

"SEC. 912. EXEMPTIONS FOR CERTAIN ALLOWANCES.

"The following items shall not be included in gross income, and shall be exempt from taxation under this subtitle:

"(1) **FOREIGN AREAS ALLOWANCES.**—In the case of civilian officers and employees of the Government of the United States, amounts received as allowances or otherwise (but not amounts received as post differentials) under—

"(A) title IX of the Foreign Service Act of 1946, as amended (22 U.S.C., sec. 1131 and following),

"(B) section 4 of the Central Intelligence Agency Act of 1949, as amended (50 U.S.C., sec. 403e),

"(C) title II of the Overseas Differentials and Allowances Act, or

"(D) subsection (e) or (f) of the first section of the Administrative Expenses Act of 1946, as amended, or section 22 of such Act.

"(2) **COST-OF-LIVING ALLOWANCES.**—In the case of civilian officers or employees of the Government of the United States stationed outside the continental United States (other than Alaska), amounts (other than amounts received under title II of the Overseas Differentials and Allowances Act) received as cost-of-living allowances in accordance with regulations approved by the President."

(b) Paragraphs (1) and (2) of section 912 of the Internal Revenue Code of 1954, as amended by subsection (a) of this section, shall apply only with respect to amounts received on or after the date of the enactment of this Act in taxable years ending on or after such date.

The SPEAKER pro tempore (Mr. KILDAY). Is a second demanded?

Mr. REES of Kansas. Mr. Speaker, I demand a second.

Mr. GROSS. Mr. Speaker, is the gentleman opposed to the bill?

Mr. REES of Kansas. Mr. Speaker, I am not opposed to the bill.

Mr. GROSS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Is the gentleman from Iowa opposed to the bill?

Mr. GROSS. I am opposed to the bill.

Mr. MURRAY. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MURRAY. Mr. Speaker, the purpose of the amendment I sent to the Clerk's desk is to eliminate a provision of the bill providing that, when authorized by the President, representation allowances could be paid by any department or agency overseas out of administrative funds.

Mr. Speaker, as chairman of the Committee on Post Office and Civil Service in the 84th Congress, I authorized the Civil Service Subcommittee to conduct a study, in cooperation with the personnel adviser to the President and other executive departments concerned, and to submit such recommendations as it found appropriate for strengthening civilian personnel administration in the extensive overseas activities of our Government.

The subcommittee visited 8 European countries and held hearings and conferences in areas where a large part of the 30,000 American citizens employed overseas are assigned to duty. Based on these hearings and upon completion of the cooperative study, the Post Office and Civil Service Committee unanimously approved a report on overseas personnel administration which was printed as House Report No. 2109, 84th Congress.

The report contained four major areas of recommendation. The first, relating to extension of the competitive service overseas, was placed in effect during the 84th Congress. The House of Representatives on July 6, 1959, approved S. 96, which became Public Law 86-91, placing in effect the second recommendation which relates to pay and employment conditions of teachers in schools conducted for dependents of overseas personnel. The third such recommendation is embodied in H.R. 7758, before us for consideration today. Several bills to carry out the fourth recommendation presently are pending before our committee.

This legislation has been before the committee for several Congresses, either in the form of legislative proposals or introduced bills. In my judgment, it has received very thorough consideration by the committee and by the executive branch. The Department of Defense in the 85th Congress submitted an official recommendation for substantially identical legislation as a part of the President's legislative program in that Congress. H.R. 7758 has the approval of the Bureau of the Budget and of the departments and agencies concerned.

The general purpose of the legislation is to improve overseas civilian personnel administration by bringing together in one law a number of varying existing statutory provisions authorizing allowances and differentials for overseas em-

ployees of the Government and by extending similar authorizations to those departments and agencies which do not now have such statutory provisions. The objective is to provide substantially equal treatment for all American citizens who work overseas for the Government with respect to allowances and differentials to compensate them for additional expenses, hardships, and inconveniences related to their overseas employment which do not generally affect Government employees within the United States.

In connection with section 523 of the bill, which amends parts of the Internal Revenue Code of 1954 granting exemptions for certain allowances for Federal employees, the amendatory language makes no change in tax policy but is merely for the purpose of conforming language suitable to the allowance provisions of H.R. 7758. In accordance with the policy of our committee in considering any legislative provision within the jurisdiction of another committee, the chairman of the Ways and Means Committee was consulted on the proposed amendment to the Internal Revenue Code, who has given his approval.

Mr. GROSS. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. WALLHAUSER].

Mr. WALLHAUSER. Mr. Speaker, I rise in wholehearted support of this legislation which will serve to improve and strengthen the administration of overseas activities of the Government of the United States.

This legislation provides for uniformity of treatment for all overseas employees to the extent justified by relative conditions of employment. It recognizes that very fundamental principle that the Government should provide uniform treatment for all of its civilian employees who are assigned to overseas posts of duty with respect to additional expenses necessarily incurred by such employees in relation to their overseas service.

The importance of sound and effective personnel policies in the conduct of overseas programs of the Government is well recognized. Employees assigned to overseas civilian posts are responsible for carrying out very important duties with respect to military and economic commitments in foreign countries.

I wholeheartedly support this legislation because it will strengthen the administration of our Nation's overseas activities by—

First. Providing a means for more effectively compensating civilian officers and employees of the Government for extra costs and hardships incident to their overseas assignments.

Second. Providing for uniform treatment of civilian officers and employees of the Government stationed overseas to the extent justified by relative conditions of employment. Application of this principle of uniform treatment will eliminate certain inequitable and unjustifiable disparities and differences which now exist with respect to the treatment of Government civilian officers and employees stationed overseas.

Third. Establishing the basis for the more efficient and equitable administration of the laws compensating Govern-

ment civilian officers and employees for extra costs and hardships incident to their assignments overseas.

Fourth, Facilitating for the Government the recruitment and retention of the best qualified personnel for civilian service overseas.

The additional cost of the legislation to the Department of Defense, which has on its rolls 21,000 employees working for the Government in foreign areas, is estimated to be less than \$3 million per year. The additional cost attributable to the remainder of the 33,000 employees serving overseas is negligible. I, for one, feel that this is one of the best investments that can be made. I urge adoption of H.R. 7758, as amended.

(Mr. WALLHAUSER asked and was given permission to revise and extend his remarks.)

Mr. MURRAY. Mr. Speaker, I yield 3 minutes to the gentleman from Oregon [Mr. PORTER].

(Mr. PORTER asked and was given permission to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, I was a member of the subcommittee which approved this legislation. The key word here is "equality." As has been pointed out, all that this legislation would do is to bring some 21,000 civilian employees of the Defense Department up to the standards of the Foreign Service. That is all this legislation does. It is going to cost some money, yes, but that is in the interest of saving more money because we need the very best people overseas.

I want to call the attention of the committee to the hearings on page 25 where I asked Mr. Jackson, Assistant Secretary of Defense, who testified before our committee, as to the need for this legislation. Why do we have to be fair and equitable to the employees of the Defense Department? I think it is obvious, but I wanted to hear what effect the inequality had on the service being given and on recruitment problems. He referred the matter to Mr. Sompayrac, one of the experts who was with him. He, of course, did agree that it would have a substantial effect, and he pointed out—

Probably the greatest effect of the lack of such comprehensive legislation has been, as Mr. Jackson says, in our inability in some cases to persuade people to go overseas. "The other major effect has been some dissatisfaction on the part of employees who are overseas," according to Mr. Jackson, "because they do not receive certain of the benefits which employees of other agencies may receive. This is a general equalization of benefits available to persons of all Federal agencies overseas, that is what it amounts to."

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from Maryland, an able member of the Civil Service Subcommittee.

Mr. FOLEY. I rise in support of the bill and I wish to associate myself with the remarks of the gentleman from Oregon and the remarks of the gentleman from New Jersey. I commend them both for the position they have taken.

Mr. PORTER. I thank the gentleman from Maryland. In sum, I do not think

we need delay on it. This legislation is simply to equalize these benefits, these emoluments, if you like, for overseas employees, which they deserve because of additional cost and hardship of such service. This legislation was unanimously approved by a committee which the gentleman from Louisiana [Mr. MORRISON] headed in the 84th Congress, which went to Europe to look into these matters firsthand. It was approved by our committee, 15 to 3. It was recommended by the Defense Department. It is simply in the interest of equality, and I believe that it should be approved overwhelmingly here.

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore [Mr. KILDAY]. The gentleman will state it.

Mr. GROSS. Would it be possible to have the amendments offered by the gentleman from Tennessee read, without it coming out of his time?

The SPEAKER pro tempore. By unanimous consent that could be done.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the amendments be read at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The clerk read as follows:

Page 8, strike out line 22 and all that follows down through "Part B—Storage" in line 7 on page 9 and insert in lieu thereof "Part A—Storage."

Page 9, line 8, strike out "SEC. 311." and insert in lieu thereof "SEC. 301."

Page 14, line 1, strike out "Part C—Official Residence Expenses" and insert in lieu thereof "Part B—Official Residence Expenses."

Page 14, line 2, strike out "SEC. 321." and insert in lieu thereof "SEC. 311."

Page 14, line 4, strike out "thereto, immediately following the new section 22 added to such Act by section 301 of this Act," and insert in lieu thereof "at the end thereof."

Page 14, line 7, strike out "23." and insert in lieu thereof "22."

Page 14, line 23, strike out "Section 23" and insert in lieu thereof "section 22."

Page 14, line 24, strike out "section 321" and insert in lieu thereof "section 311."

Page 15, line 3, strike out "Part D—Transportation of Motor Vehicles" and insert in lieu thereof "Part C—Transportation of Motor Vehicles."

Page 15, line 4, strike out "SEC. 331." and insert in lieu thereof "SEC. 321."

Page 15, line 8, strike out "311(c)" and insert in lieu thereof "301(c)."

Page 17, line 1, strike out "SEC. 332." and insert in lieu thereof "SEC. 322."

Page 18, line 4, strike out "SEC. 333." and insert in lieu thereof "SEC. 323."

Page 24, line 6, strike out "901," and insert in lieu thereof "901(1) and (2)."

Page 28, line 15, strike out "or 23."

Mr. GROSS. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. JOHANSEN].

(Mr. JOHANSEN asked and was given permission to revise and extend his remarks.)

Mr. JOHANSEN. Mr. Speaker, I rise in opposition to this bill. I am not going to take a great deal of the time of the House but I would like to point out two or three facts with respect to this legislation. The first of those facts is that

this involves an extension of allowances and benefits to some 21,000 civilian employees of the Department of Defense and a total of about 23,000 foreign employees of the United States Government not currently covered under the Foreign Service provisions. In extending the existing benefits to this additional category of employees there has been to my knowledge, and so far as I have been able to learn, no review whatsoever of the existing provisions with respect to special allowances that already exist. We know that there are instances and examples in which, due to these additional benefits including extra compensation for hazardous or hardship conditions, quarters allowances, extra compensation for the mere fact of having overseas duties—we know that there have been instances in which the increases over the normal compensation of the employee run as high as 35 to 50 percent. It is my understanding that the original additional allowances had their legislative origin in the Committee on Foreign Affairs of the House. Apparently there is some question as to jurisdictional authority with respect to any basic review of the overall program.

What we are doing here today is substantially extending this coverage to another large category of employees and doing it without any review of the basic premises to determine the soundness of the existing program.

That is my first objection to this legislation. In the second place, I object to this legislation because it is one more step in the institutionalizing of the program of foreign aid on a basis which will assure its continuance in perpetuity. Just this last week we had a witness before us from the Foreign Training School conducted under the auspices of the Federal Government by Johns Hopkins University. I asked the director of that school who was a witness before the committee and who was testifying about the elaborate and costly training programs being developed in the field of foreign aid, this question: "Is it not true, in your judgment, that the development of programs of this character tend further to institutionalize foreign aid and thereby assure its permanence?" He was a very frank, honest, and candid witness and he replied that that was unquestionably the case.

What we are doing here today relates primarily to the civilian employees of the Department of Defense connected with military assistance programs. I submit that by applying these same standards to this new category of employees in a once supposedly temporary program we are further institutionalizing and guaranteeing the permanence of that program and category of employees.

Of course, we have here the same argument today which we have heard before and hear frequently whenever legislation of this type is offered, and that is that after all the sole purpose is to establish equality. But of course it is an old game and it is endlessly repeated. First we start some new type of benefit in a single instance, then we justify it because of the unusual and exceptional

circumstances involved in that instance. Then, as time passes, we have further exceptions and then of course it becomes inevitable we must proceed to provide complete equality in the setup.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. GROSS. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. JOHANSEN. Mr. Speaker, I would like to direct the attention of the House to some of the new provisions, the new allowances and the new benefits that are provided as a result of this legislation:

Temporary lodging allowances may be granted for not to exceed 3 months after first arrival at a new post and for a period of not more than 1 month immediately preceding final departure.

Providing for leased residence quarters when authorized and when administratively determined to be necessary.

Transportation of dependents for secondary schooling that is the dependents of the civilians attached to the Defense Department and serving overseas.

Transportation of dependents for secondary schooling for undergraduate college work in the United States is authorized.

That is to be completely new for all classified employees.

Cost of storage and transportation to and from storage of household effects of employees.

Transportation of employee's motor vehicle to a foreign post is authorized.

The accumulation of not to exceed 45 days of annual leave is authorized for employees included or transferred from Alaska, Hawaii, and Puerto Rico.

Finally, home leave may be granted after at least 24 months of continuous service overseas.

Mr. Speaker, I say what is needed before we extend these additional benefits and existing benefits to new categories of all employees is to have a thorough and comprehensive review of the present overall program.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. JOHANSEN. I yield.

Mr. HOFFMAN of Michigan. It has recently come to my attention in connection with our foreign policy that all the United States is required to do now is to appropriate the money and individuals from other nations who participate in the program determine how and when and where it is to be used.

The SPEAKER pro tempore. The time of the gentleman from Michigan has again expired.

Mr. HOFFMAN of Michigan. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. HOFFMAN of Michigan. Mr. Speaker, the parliamentary inquiry is, Is it permissible now under the situation which has developed to move to strike out the last word?

The SPEAKER pro tempore. No, it is not. The time is under the control of the gentleman from Tennessee and the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. JOHANSEN. I yield further to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. If the gentleman has the answer to my question, if he has it in mind.

Mr. JOHANSEN. I do not have the answer to the gentleman's question but I am certain if the matter the gentleman describes involves further laxity in the control of the funds by Congress, I have no doubt the answer to the gentleman's question is in the affirmative.

Mr. HOFFMAN of Michigan. Then all we have to do is to furnish the money.

Mr. JOHANSEN. Of course we are still privileged to exercise that authority.

The SPEAKER pro tempore. The time of the gentleman has again expired.

Mr. MURRAY. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. BARRY].

Mr. BARRY. Mr. Speaker, I rise in support of this bill. Though I am in sympathy with the views of my distinguished colleague from the State of Michigan. I oppose his position on this bill. I think the best method by which he might accomplish his objective of having an overall review of these matters would be for him to join in this legislation. If overseas personnel regulations are unified there will be similar treatment given to a member of the Department of Defense, to the Department of State, and other departments of Government. If he will do this I am confident that this Congress will take the time to make certain that there will be an overall review of the matters that he is concerned about. I think we all should be concerned about them. So I would say to the distinguished gentleman, the way to bring this matter to a head to his satisfaction and to the satisfaction of our distinguished colleague, the gentleman from Iowa, would be to end this patchwork that has gone on since World War II in various departments of Government who have so many overseas personnel, and to allow this bill to go through the Congress and then review the matter as a body in the appropriate committee in the future.

There are some things that may not have been mentioned here, such as inequities that exist. For instance, I would call your attention to allowances for personal effects taken abroad. There is allowable 7,000 pounds of uncrated personal effects that an employee of the Government may take abroad or an allowable 7,000 pounds of uncrated per-too small an allowance for crating, inasmuch as crated personal effects are almost double the uncrated weight. So I say in justification to our personnel overseas we should do everything we can to straighten out certain inequities of which I have touched upon only one due to time limitation on this debate.

Mr. GROSS. Mr. Speaker, I yield myself 5 minutes.

Mr. PORTER. Mr. Speaker, will the gentleman yield?

Mr. GROSS. No, not at this time. I cannot yield to the gentleman.

I wonder where these 14 amendments came from? Were these 14 amendments

considered in the committee, may I ask the Chairman?

Mr. MURRAY. I will say to the gentleman that only the first amendment is of any importance in this bill; the rest of the amendments are just a renumbering of sections.

Mr. GROSS. Let me ask the gentleman this question: What is proposed in section 22 with regard to entertainment?

Mr. MURRAY. There is no such section in the bill. As the gentleman knows the bill, read as amended as required under suspension of the rules, contained my amendment striking it out.

Mr. GROSS. Is not section 22 still in this bill? No amendment is adopted until the bill is approved.

Mr. MURRAY. The first amendment by me strikes out from line 22 on page 8 all that follows down to the end of the paragraph. It strikes out all of "entertainment."

Mr. GROSS. It strikes out the use of administrative funds to buy liquor and provide entertainment; is that correct?

Mr. MURRAY. That is correct. There was no purpose in this bill to buy liquor.

Mr. GROSS. Of course that was the purpose. I call attention to the fact that this is just a sample of how this bill has been handled. It is brought here with 14 amendments. It was not properly taken care of in the full committee, and now, under suspension of the rules, only the chairman can offer amendments.

Mr. MURRAY. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I do not yield at this time. It does not make any difference how many abuses there are in the present allowances and pay differentials by the State Department and the Foreign Service; no matter how many abuses are being perpetrated, this bill will permit another 20,000 to 30,000 Federal employees to get their fingers in the grab bag. Before this legislation is enacted, Congress ought to set different standards for the State Department and the Foreign Service in the matter of transporting automobiles, furniture and so on and so forth all over the world. Is this legislation immediately necessary?

Let me call your attention to some of the testimony in connection with hearings on this matter. I asked Assistant Secretary Jackson of the Defense Department:

Mr. Gross. You say you have an 18-percent turnover. What do you estimate your turnover will be if this legislation is adopted and you are caught up with the Joneses in the State Department?

Mr. JACKSON. I would like to make it clear that we are not prognosticating any dramatic change in retention by this bill.

Mr. BARRY. Mr. Speaker, will the gentleman yield?

Mr. GROSS. No; I do not yield at this time.

Mr. PORTER asked Mr. Sompayrac, of the Defense Department, if they were having any trouble with recruitment on the basis that their allowances for these various differentials had not been given them, and the answer was that they were

having no recruitment troubles whatever.

Mr. PORTER. Mr. Speaker, will the gentleman yield?

Mr. GROSS. No.

Mr. PORTER. The gentleman mentioned my name.

Mr. GROSS. Certainly I mentioned the gentleman's name in reading the hearings.

Mr. PORTER. Then the gentleman should yield to me.

Mr. GROSS. I yield to the gentleman very briefly.

Mr. PORTER. I asked him if the Department fully endorsed the bill.

Mr. GROSS. He said he had no concrete evidence of dissatisfaction on the part of Defense Department employees.

Mr. PORTER. He said a number of things in his testimony.

Mr. GROSS. He said there had been no dissatisfaction.

Mr. PORTER. Both said that this legislation was necessary, that it would help.

Mr. GROSS. I do not yield further.

Mr. PORTER. That they had to have it to keep these people going overseas. I refer to page 25.

Mr. GROSS. In direct response to your statement—

Mr. BARRY. If the gentleman would yield I would like to read Mr. Jackson's statement as presented to the committee.

Mr. GROSS. Let me read it.

Mr. PORTER on page 26 asked this question:

I suppose you do have figures on recruitment in terms of how many people apply for the available jobs. Do they show a progressive decline because of the dissatisfaction arising from these inequitable conditions?

And Mr. Sompayrac said:

No, sir, they don't.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. GROSS. Mr. Speaker, I yield myself 2 additional minutes.

Mr. PORTER. Mr. Speaker, will the gentleman yield for a brief correction?

Mr. GROSS. No; I cannot yield further.

The question of automobile transportation to overseas posts came before the Appropriations Subcommittee for the Department of State.

On page 558 of the hearings the following appears:

Mr. ROONEY. This comes to quite a substantial amount, does it not?

That is, the shipment of cars overseas.

It comes to about \$350,000 or \$400,000 for shipping the 791 cars?

Is the fact shown in this sheet that 103 cars come back to the United States, whereas, the balance of these 791 go overseas any indication of a pattern? Is about the same thing true each year?

Mr. BROWN. I think it would, Mr. Chairman.

In other words, the bulk of the cars that are shipped overseas at taxpayer expense are sold there at a profit. Yet those who support this bill want to put thousands of additional employees on a par with the abuses that are now being carried on in the State Department.

Let me read to you some of the costs of transferring people, as appears on page 575 of the same committee hearings. Here is a \$6,900 a year FSO-6, total cost of his transfer from Buenos Aires to Havana, \$8,563.95, including household goods and so forth. Here is an FSS-10, paid \$5,425 a year, total cost of transfer \$14,615.05 from Malaya to Norway. There are many other similar examples.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. GROSS. Mr. Speaker, I yield myself 1 additional minute.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Ohio.

Mr. HAYS. The gentleman has put a finger on a real abuse. I think the cure for that is for the Congress to set down a policy that these people shall not be transferred all over the world every few years. About the time he learns his job somewhere, they move him out somewhere else where he has to start all over again, and at a terrific expense to the taxpayers.

Mr. GROSS. Certainly. This bill is a cart before the horse. This bill as I have said, should be given consideration following elimination of the abuses. Read pages 574 and 575 and other pages of the Appropriations Subcommittee hearings which will show you what is happening. Yet you want here today to put 20,000 or 30,000 more people on the same basis.

I urge the defeat of this bill.

Mr. MURRAY. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Speaker, I too rise in support of this bill which has been submitted to the House by the Committee on Post Office and Civil Service. It is the result of a fine study made by the Morrison committee over a period of time.

Mr. Speaker, American civilians who are working for our Government overseas, put up with many difficulties that they would never have to face at home.

We sometimes forget that Government must compete with private enterprise in the recruitment and retention of qualified personnel.

It is a well-known fact that U.S. corporations with branches or field operations in foreign countries, provide attractive inducements for those who are willing to work away from home. These companies go out of their way to secure adequate housing, provide social and recreational facilities, and make available the various items that are a familiar part of the American standard of living.

American civilians working for the U.S. Government abroad have to contend with hardships and inconveniences that are nonexistent in the United States. To compensate them for these sacrifices, and to insure equal treatment for all, I join with many of my colleagues in support of H.R. 7758, the Overseas Differentials and Allowances Act.

The purpose of this bill is "to improve and strengthen the administration of overseas activities of the Government of

the United States. The purpose is to be accomplished by the establishment of a coordinated and reasonably uniform system for more effectively compensating Government employees for additional costs, and for hardships and inconveniences incident to their working assignments in overseas areas."

Although there are other important provisions, the heart of the bill is found under title 11.

Section 211 of the bill adds, for all departments and agencies, new authority, first, for payment of a temporary lodging allowance for a period not exceeding 1 month immediately before final departure of an employee from an overseas post, and, second, for reimbursement of reasonable expenses incurred for initial repairs, alterations, and improvements in order to make substandard living quarters habitable. This section extends to departments and agencies—other than those operating under the Foreign Service Act of 1946 or statutes related thereto, which already have such authority—authority, first, to pay a temporary lodging allowance for a period not exceeding 3 months upon first arrival of an employee at a foreign post; second, to include water as a utility covered by quarters allowances; and, third, to make advance payment of quarters allowances.

Section 221 amends, for all departments and agencies, existing authority to grant a separate maintenance allowance for dependents of an employee in a foreign area so as to permit payment of such allowance where an employee must maintain a separate establishment for his dependents away from his post of duty but not necessarily outside of the country of assignment. This section continues and consolidates for all departments and agencies, authority to pay, first, a post allowance to compensate for the difference in local living costs which are higher than those in Washington, D.C.; second, a transfer allowance upon assignment of an employee to duty at any post in a foreign area or at a post in the United States between foreign assignments; and, third, an allowance for education of an employee's dependents. This section continues, for departments and agencies operating under the Foreign Service Act of 1946 or related laws; and adds, for all other departments and agencies, authority to provide transportation of an employee's dependents for educational purposes.

Section 231 continues and consolidates, for all departments and agencies, existing authority to pay a hardship post differential, not exceeding 25 percent of basic compensation, for conditions of environment at foreign posts which warrant additional compensation as a recruitment and retention incentive.

The working and living conditions of U.S. citizens employed overseas, has a direct bearing upon the success of our overseas programs—both military and economic.

In order to carry out their responsibilities, which could determine whether we have peace or war, it is necessary to provide them with the means and the

facilities that will promote the highest morale and efficiency.

The Department of Defense alone employs two-thirds of all U.S. citizens working for the Government in foreign areas.

This bill will encourage the ablest American men and women to serve the United States and the cause of peace with freedom and justice at our outposts around the globe.

(Mr. LANE asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Speaker, I yield 1 minute to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Speaker, the intent and purpose of this legislation is to bring about a more equitable situation with respect to allowance as well as pay for those employed in the overseas service. That is all there is to it. There is nothing world-shaking about this legislation. But this is a step intended in the right direction.

The gentleman from Iowa has pointed out a rather important thing, and that is we should examine the whole picture clear across the board. We need a better balanced situation with respect to employment with the Government.

I think this bill ought to be supported. Our committee, or some committee, ought to make a complete investigation or study into this whole problem and make recommendations to Congress with respect to overseas pay as well as to allowances of various kinds. If allowance rights are being abused they should be stopped. If these rights are too liberal, let us correct them.

Mr. GROSS. Mr. Speaker, I yield myself 1 additional minute.

Mr. Speaker, I would like to read a provision in this bill, section 22, at the top of page 9:

Under such regulations as the President may prescribe, funds available to the departments for administrative expenses may be allotted to posts in foreign countries and to resident missions to international organizations for representation purposes in the promotion of official policies and programs.

Mr. MURRAY. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Tennessee.

Mr. MURRAY. That is the very section that in my motion was stricken from the bill.

Mr. GROSS. At this late date, you offer an amendment to take it out of the bill. You concocted an amendment as late as last Saturday to take it out. That demonstrates the consideration proponents have given this bill. This section provided that money appropriated for administrative purposes could be used for liquor and entertainment in foreign countries. That is the kind of a bill we have here. I called attention to this provision and when the bill was being considered in the full committee, but no one attempted to take it out then.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Kansas.

Mr. REES of Kansas. The gentleman and I are both opposed to this representation money.

Mr. GROSS. Why did you wait until last Saturday, without consultation with anyone else, to frame an amendment to take it out? It was called to the attention of the committee long ago.

Mr. REES of Kansas. The chairman was happy to strike it out.

Mr. MURRAY. Mr. Speaker, I yield the balance of the time to the gentleman from Louisiana [Mr. MORRISON].

(Mr. MORRISON asked and was given permission to revise and extend his remarks.)

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. MORRISON. I yield to the gentleman from Ohio.

Mr. HAYS. I would like to say in answer to some of the arguments that were made against this bill that I kind of go along with this bill. It is not too bad, but it is the policy of these moves that is bad. And, as chairman of the Subcommittee on Personnel in the State Department, we are going into this matter at some length and see what we can do about the policy of moving these people around every 2 years willy-nilly, whether there is any reason for it or not. I think that is where the ill is, and I think that is where the ill needs to be corrected.

Mr. HARDY. Mr. Speaker, will the gentleman yield?

Mr. MORRISON. I yield to the gentleman from Virginia.

Mr. HARDY. I would like to ask the gentleman whether the committee in considering this measure took into consideration the possible use of local currencies, counterpart funds, if you will, for meeting these extra costs. I notice that the bill itself, in the statement of purposes, says that this is for the purpose of meeting extra costs and hardships incident to their assignments overseas.

Mr. MORRISON. I agree with the gentleman from Virginia that that would be a very excellent idea, but that is under the jurisdiction of the Committee on Foreign Affairs. If they will introduce such a bill, I believe I would be inclined to support it.

Mr. HARDY. Does not the gentleman agree that it would be a fine thing to utilize some of these funds which we have overseas to take care of these costs so that we would not have to use dollars?

Mr. MORRISON. Yes.

Mr. HARDY. In connection with overseas assignments there are occasions when overseas personnel are permitted certain special exchange concessions in the purchase of foreign currency.

Mr. MORRISON. That was taken into consideration in the study and the hearings that were held on this bill.

Mr. HARDY. But that policy is still permitted, I take it.

Mr. MORRISON. That is correct, in many places. In some places they do not have the advantage of that.

Mr. HARDY. So the allowances in this bill would be in addition to any

special concession which may be available through that sort of a gimmick?

Mr. MORRISON. No. This brings these people up, who are not on any direct legislation, equal to all of our other foreign service employees.

Representatives of both the Departments of Defense and State have indicated that any advantages in the monetary rate of exchange are taken into consideration by the Government in establishing the cost-of-living and other benefits to Federal employees stationed overseas.

Federal employees overseas are paid their salaries in American dollars. However, all exchanges into local currency must be made on the official rate of exchange. Black market exchanges are cause for the Federal Government to bring an employee back to the United States.

In general, however, no department has a hard and fast rule, overseas employees are paid in local currency at the official rate of exchange for quarters allowance, cost-of-living allowance, and education allowances.

Mr. HARDY. Well, now, if the gentleman would permit on that point so that we may be clear, there are countries, for instance, in connection with studies which my subcommittee has recently made, in which special concessions have been given and are being given in the way of special rates on the purchase of foreign currencies.

Mr. MORRISON. All that was taken into consideration in the preparation of this bill and in reporting it out.

Mr. HARDY. Then, in other words, that will not be permitted in the future; at least, they will not be permitted to both have that and the concession in this bill?

Mr. MORRISON. I think they will continue to have whatever concession they have been getting. But that has been taken into consideration in this bill.

Mr. Speaker, I refuse to yield further on that point, because that is extraneous matter and not directed to the subject matter of the bill. I would like to explain this bill.

Mr. HARDY. I disagree with the gentleman on that.

Mr. MORRISON. Well, that is your privilege.

Mr. Speaker, the two opponents of this bill have tried to give the impression that this bill came out of the committee without thorough study. Two subcommittees voted in favor of this bill and the full committee voted it out with only three dissenting votes—practically unanimous.

This legislation was started 4 years ago by an intensive overseas study by a subcommittee that went to practically every city in Europe and very carefully held full hearings. A printed book of hearings about 4 inches thick resulted from these hearings and studies. Then when we returned the committee made its report. In turn, another subcommittee took it under their jurisdiction. Then it was reported out of the full committee with only three dissenting votes.

Now let us get the record straight about this bill. There are no extra-pay provisions. It merely brings the civilian employees overseas up to same basis and with the same benefits as those covered by former laws governing Department of State employees and some Defense civilian employees.

President Eisenhower wants this bill.

The State Department wants this bill.

The Defense Department wants this bill.

The Comptroller General is in favor of this bill.

The Bureau of the Budget has no objection.

The Civil Service Commission wants this bill.

This legislation is based on the principle that the Government should compensate its civilian employees at overseas posts for additional expenses related to their service overseas which are not incurred by Government employees within the United States, as well as for hardships and other conditions of environment at overseas stations which justify additional compensation or allowances.

At the outset, I want to emphasize that the great majority of benefits written into the law by this bill are already available to large groups of overseas Government personnel—in some instances pursuant to statute and in others under informal approval by the General Accounting Office granted as a matter of necessity with the understanding that the legislation now embodied in H.R. 7758 would be requested.

The general purpose of the legislation therefore, is to bring together existing statutory and administrative policies in a single law, with such additional provisions as are necessary, in order to provide a coordinated and reasonably uniform system of allowances and differentials to be granted U.S. citizens employed by the Government overseas on an equal basis so far as is practicable.

To carry out this purpose, H.R. 7758 groups together in one act provisions now found in a number of separate laws and administrative regulations, and fills in gaps where the lack of appropriate statutory or administrative action has created inequities in respect to certain groups of overseas employees.

Enactment of H.R. 7758 will materially improve and strengthen the administration of overseas activities of the Government. Both operations and personnel administration will be facilitated by the establishment, under this bill, of a comprehensive allowance and differential policy which will apply generally to all American citizens who are employed in civilian posts for the Government in overseas areas, regardless of the department or agency for which extent justified by relative conditions of employment.

This legislation is based upon, and will place in effect, an official recommendation of the Department of Defense. It also carries out the unanimous recommendations of the Post Office and Civil Service Subcommittee contained in the subcommittee report printed as House Report No. 2109, 84th Congress. The bill now before us was developed through extensive hearings and conferences held

by the Civil Service Subcommittee in overseas areas during the 84th Congress, supplemented by a continuing cooperative study by the subcommittee, the Department of Defense, the State Department, the personnel adviser to the President, the Civil Service Commission, and the General Accounting Office.

I believe the Members will be interested in a brief comment on House Report No. 2109 which was included in a letter from the White House to our committee chairman, dated August 24, 1956, and I quote:

I would like to say first that this was an excellent report, carefully prepared and reflecting a comprehensive review of the facts, both in the overseas hearings and in the staff research. I believe that the liaison between your office and both my White House office and the Civil Service Commission has been a fine example of cooperative effort between legislative and executive branches of Government, in developing sound legislation in this field of personnel administration.

It is fair to state that no bill ever considered by our committee has had more thorough and painstaking consideration by a subcommittee or has been worked out more carefully, in relation to all departments and agencies, in order to strengthen management and personnel administration of essential Government functions.

I should like to invite the special attention of the Members to the explanation of the bill in the accompanying report, House Report No. 902. In my judgment, this is one of the most complete and exhaustive statements accompanying any bill reported to this House in the present session and fully reflects the careful and extensive consideration this legislation received both in the Civil Service Subcommittee and before the full Post Office and Civil Service Committee.

I would like to emphasize the careful consideration this legislation received by calling your attention to the fact that transportation of motor vehicles under subsection (f) of section 331, will be authorized only upon a determination by the department or agency head concerned that it is in the interest of the Government for the employee to have the use of the motor vehicle at his post of duty.

This legislation is strongly recommended by the administration and is necessary to modernize and strengthen civilian personnel administration in our critical overseas defense activities and other essential Government programs abroad. The reported bill has the overwhelming support of the membership of the Post Office and Civil Service Committee and I believe will receive equal approval by the House today.

I urge the House to vote favorably on this meritorious legislation.

The SPEAKER pro tempore. The time of the gentleman has expired.

All time has expired.

Mr. MORRISON. Mr. Speaker, I ask unanimous consent to proceed for 1 additional minute.

The SPEAKER pro tempore. Under the rules of the House all time has expired.

The question is, will the House suspend the rules and pass the bill H.R. 7758, as amended?

The question was taken and on a division (demanded by Mr. JOHANSEN) there were—ayes 72, noes 24.

Mr. JOHANSEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore (Mr. SHELLEY). Pursuant to the order of the House of last Friday, further proceedings will go over until tomorrow.

FINAL ORDERS OF SUBVERSIVE ACTIVITIES CONTROL BOARD

Mr. WALTER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3429) to amend the Subversive Activities Control Act of 1950 to provide for a procedure under which certain final orders of the Subversive Activities Control Board with respect to Communist organizations may be made applicable to successor organizations, with amendments.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Subversive Activities Control Act of 1950 (64 Stat. 989) is amended by inserting, immediately after section 13A thereof, the following new section:

"PROCEEDINGS WITH RESPECT TO SUCCESSOR ORGANIZATIONS

"Sec. 13B. (a) When there is in effect a final order of the Board determining that any organization is a Communist-action organization, a Communist-front organization, or a Communist-infiltrated organization, such final order shall also be applicable with respect to any organization determined by the Board under this section to be the successor of such organization, regardless of the assumed name, from and after the date on which the order of the Board granting the determination that such organization is a successor organization becomes final.

"(b) Whenever the Attorney General has reason to believe that any organization is the successor to any organization determined by a final order of the Board to be a Communist-action organization, a Communist-front organization, or a Communist-infiltrated organization, he may file with the Board and serve upon such organization a petition for a determination that such organization is such a successor organization. In any proceeding so instituted, two or more affiliated organizations may be named as joint respondents. Whenever any such petition is accompanied by a certificate of the Attorney General to the effect that the proceeding so instituted is one of exceptional public importance, such proceeding shall be set for hearing at the earliest possible time and all proceedings therein before the Board or any court shall be expedited to the greatest practicable extent.

"(c) Each petition shall be verified under oath, and shall contain a statement of the facts relied upon in support thereof. Upon the filing of any such petition, the Board shall serve upon each party to such proceeding a notice specifying the time and place for hearing upon such petition. No such hearing shall be conducted within 20 days after the service of such notice.

"(d) The provisions of subsections (c) and (d) of section 13 shall apply to hearings conducted under this section, except that upon the failure of any organization named as a

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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For actions of September 8, 1959
86th-1st, No. 158

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HIGHLIGHTS: House passed bill to authorize sale of CCC feed at market prices in emergency areas. Both Houses passed new public works appropriation bill. Senate committee reported new housing bill. Senate committee reported mutual security appropriation bill. Sen. Stennis urged passage of industrial-uses research bill.

HOUSE

1. FEED; DISASTER RELIEF. Passed as reported S. 2504, to authorize the Department to sell at current support prices CCC feed for livestock in emergency areas (pp. 17042-3). Rep. McGovern stated that this bill authorizes the Secretary, when he determines an area to be a disaster area, to sell feed in that area at support prices. He stated that, as passed by the Senate, S. 2504, would have authorized these sales at market prices, instead of support prices as provided in the bill as passed by the House. (p. 17042)
2. PUBLIC WORKS. Passed, 303 to 93, without amendment H. R. 9105, the new public works appropriation bill for 1960 after rejecting a motion by Rep. Taber to recommit the bill to committee. (pp. 17047-65). Rep. Cannon stated that this bill represents a 2½% across-the-board reduction from the bill vetoed by the President (H. R. 7509) (p. 17047).

Rejected the following amendments:

By Rep. Taber, 91 to 216, to delete certain "new starts" from the bill.
pp. 17057-63

By Rep. Jensen, to cut across-the-board all projects in the bill by another
2½%. p. 17063

The Senate, later in the day, passed, 73 to 15, without amendment this bill
(pp. 17122-6). The bill will now be sent to the President.

3. TRAVEL. Passed, 246 to 68, under suspension of the rules, H. R. 5196, to increase, from \$12 to \$15, the maximum rates of per diem allowance for regular Government employees on official business, to increase the maximum mileage rate for privately owned automobiles or airplanes from the present 10 cents to 12 cents per mile, and for motorcycles from the present 6 cents to 7 cents per mile, and to permit the reimbursement for the actual cost of parking fees when incurred for privately owned vehicles when engaged on official business. (pp. 17043-4).
4. OVERSEAS PERSONNEL. Passed, 249 to 71, under suspension of the rules, H. R. 7758, to improve the administration of oversea activities of the Government (p. 17044). In debate on the bill Sept. 7, Rep. Murray stated that the general purpose of the bill "is to improve oversea civilian personnel administration by bringing together in one law a number of varying existing statutory provisions authorizing allowances and differentials for oversea employees of the Government and by extending similar authorizations to those departments and agencies which do not now have such statutory provisions." In addition he stated the bill compensates overseas personnel for hardships incurred due to location out of this country (p. 16925, Sept. 7).
5. FORESTRY; RECREATION. Rep. Porter announced the 50th anniversary of the Oregon Caves being proclaimed a national monument and stated that, although the jurisdiction over the Caves was transferred from Forest Service to the National Park Service, the Forest Service has outlined considerable recreational development plans in the Oregon Caves vicinity. p. 17081
6. FOREIGN TRADE. Rep. Boggs commended the past operation of the U. S. foreign trade policy including reciprocal trade agreements and urged emphasizing to other countries "the urgent necessity" of their eliminating restrictive trade and fiscal practices regarding U. S. exports. He inserted a number of articles including evidence of restriction by foreign countries of U. S. farm exports. pp. 17081-96
7. PUBLIC DEBT; INFLATION. Rep. Simpson criticized the Democratic leadership for not acting on the President's request to raise interest rates on the long-term Government securities and inserted an article contending that failure to act on this request has resulted in higher interest rates in the economy and urging support for the President on this issue. pp. 17099
8. SURPLUS PROPERTY. Received from HEW a proposed bill "to amend the Federal Property and Administrative Services Act of 1949, as amended, so as to authorize the use of surplus personal property by State distribution agencies"; to Government Operations Committee. p. 17113
9. LEGISLATIVE PROGRAM. Rep. McCormack announced that the House would soon consider the housing bill and the mutual security conference report, and that today (Sept. 9) it would consider the highway bill, and a conference report "on an agricultural bill" (p. 17080). He received consent to consider conference reports the same day as reported (p. 17080). The House also passed a

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

OVERSEAS DIFFERENTIALS AND ALLOWANCES ACT

The SPEAKER. The further unfinished business is, Will the House suspend the rules and pass the bill (H.R. 7758) to improve the administration of oversea activities of the Government of the United States, and for other purposes, as amended.

The question was taken; and on a division (demanded by Mr. JOHANSEN) there were—ayes 249, noes 71.

Mr. JOHANSEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day.

The Clerk will call the first individual bill on the calendar.

PAGE A. WILSON

The Clerk called the bill (S. 36) for the relief of Page A. Wilson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Page A. Wilson, Major, United States Air Force, is hereby relieved of all liability for repayment to the United States of the sum of \$1,718.80, representing the balance as of May 1, 1959, of overpayments of longevity pay paid to him as the result of his claiming membership in the Enlisted Reserve Corps of the Army for the period November 17, 1930, to September 8, 1933, which period was disallowed by the Air Force after the said Page A. Wilson had been paid on the basis of such period for over fourteen years, the said Page A. Wilson having believed such period had been verified a short time after it had been originally claimed by him.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any moneys in the Treasury not otherwise appropriated, to the said Page A. Wilson, any sum or amounts received or withheld from him after May 1, 1959, on account of the overpayments referred to in the first section of this Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARSHALOUS SIMEONIAN

The Clerk called the bill (S. 1081) for the relief of Arshalous Simeonian.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of paragraph (6) of section 212(a) of the Immigration and Nationality Act, Arshalous Simeonian may, if he is found to be otherwise admissible under the provisions of such Act, be issued a visa and be admitted to the United States for permanent residence, under such

conditions and controls as the Attorney General, after consultation with the Surgeon General of the United States, deems necessary to impose: Provided, That a suitable or proper bond or undertaking, approved by the Attorney General, shall be given by or on behalf of the said Arshalous Simeonian in the same manner and subject to the same conditions as bonds or undertakings given under section 213 of such Act: Provided further, That this Act shall apply only to grounds for exclusion under paragraph (6) of section 212(a) of such Act known to the Secretary of State or the Attorney General prior to the date of the enactment of this Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MATILDA KOLICH

The Clerk called the bill (S. 1613) for the relief of Matilda Kolich.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Matilda Kolich, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Vid A. Kolich, citizens of the United States: Provided, That the natural parents of Matilda Kolich shall not, come by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM J. BARBIERO

The Clerk called the bill (H.R. 7036) for the relief of William J. Barbiero.

There being no objection the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William J. Barbiero, of Brooklyn, New York, the sum of \$2,000. The payment of such sum shall be in full settlement of all the claims of William J. Barbiero against the United States for loss of earnings and damage to his property due to the deterioration in storage, as a result of delay on the part of agents of the United States in processing his petition for the return of his truck, the sole asset of his trucking business, which had been confiscated through no fault of his by agents of the United States Treasury on October 21, 1958: Provided, That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendments:

Page 1, line 6, strike "\$2,000" and insert "\$300."

Page 1, line 8, strike "earnings."

Page 1, lines 9, 10, and 11, strike ", as a result of delay on the part of agents of the United States in processing his petition for the return."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES H. BIEDERMAN

The Clerk called the bill (H.R. 8761) for the relief of the estate of Charles H. Biederman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any statute of limitations, the lapse of time, the limitations contained in sections 322 and 3774 of the Internal Revenue Code of 1939, or the defense of res adjudicata and particularly such a defense of res adjudicata with respect to the decision of the Tax Court of the United States entered August 26, 1948, pursuant to a stipulation entered into on August 16, 1948, by a guardian of Charles H. Biederman, jurisdiction is hereby conferred on the Court of Claims to hear, determine, and render judgment on the claim of the estate of Charles H. Biederman, deceased, for the overpayment of Federal income taxes of the said Charles H. Biederman for the taxable years 1936 and 1944, inclusive, together with the amounts of penalties and interest paid thereon.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OURANIA BEN BLIKAS

The Clerk called the bill (S. 2101) for the relief of Ourania Ben Blikas.

Mr. CONTE. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. WALTER. I object, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, Ourania Ben Blikas shall be held and considered to be the natural-born minor alien child of Mr. and Mrs. Ben John Blikas, citizens of the United States: Provided, That the natural mother of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CAPT. THOMAS J. McARDLE

The Clerk called the bill (S. 1149) for the relief of Capt. Thomas J. McArdle.

Page 2, line 5, strike out "or other catastrophe" and insert "earthquake, or other catastrophe including disease or insect infestation".

Page 2, line 22, after the word "purpose," insert "and in addition shall be guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than \$1,000 or imprisonment for not more than one year."

Page 3, strike out section 5.

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time and passed.

The title was amended so as to read: "An act to authorize the sale at current support prices of agricultural commodities owned by the Commodity Credit Corporation to provide feed for livestock in areas determined to be emergency areas, and for other purposes."

A motion to reconsider was laid on the table.

ADDITIONAL BUILDING FOR THE LIBRARY OF CONGRESS

The SPEAKER. The unfinished business is, Will the House suspend the rules and pass House Joint Resolution 352 authorizing a preliminary study and review in connection with proposed additional building for the Library of Congress?

The question was taken.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 323, nays 46, not voting 67, as follows:

[Roll No. 169]

YEAS—323

Abbitt	Brademas	Dent
Abernethy	Bray	Denton
Adair	Breeding	Derounian
Albert	Brock	Diggs
Alexander	Brooks, La.	Dingell
Alford	Brooks, Tex.	Dixon
Anderson,	Broomfield	Dollinger
Mont.	Brown, Ga.	Donohue
Andrews	Brown, Mo.	Dooley
Arends	Brown, Ohio	Dorn, N.Y.
Ashley	Burdick	Downing
Ashmore	Burke, Ky.	Doyle
Aspinall	Burke, Mass.	Dwyer
Auchincloss	Burleson	Edmondson
Avery	Cahill	Emmitt
Bailey	Cannon	Everett
Baker	Carnahan	Fallon
Baldwin	Casey	Farbsteln
Baring	Celler	Fascell
Barr	Chamberlain	Feighan
Barrett	Chelf	Fenton
Barry	Chenoweth	Fino
Bass, N.H.	Chiperfield	Fisher
Bass, Tenn.	Church	Flood
Bates	Clark	Flynn
Beckworth	Coad	Flynt
Belcher	Coffin	Fogarty
Bennett, Fla.	Cohelan	Foley
Bennett, Mich.	Collier	Forand
Bentley	Colmer	Forrester
Betts	Conte	Fountain
Blatnik	Cook	Frazier
Boggs	Corbett	Frelinghuysen
Boland	Cramer	Friedel
Bolling	Curtin	Fulton
Boerner	Curtis, Mass.	Garmatz
Bosch	Curtis, Mo.	Gathings
Bow	Daddario	Gavin
Bowles	Davis, Ga.	George
Boykin	Davis, Tenn.	Glenn
Boyle	Dawson	Granahan

Grant	McGinley	Rodino
Green, Oreg.	McGovern	Rogers, Colo.
Green, Pa.	McIntire	Rogers, Fla.
Griffin	Macdonald	Rogers, Mass.
Griffiths	Mack, Ill.	Rogers, Tex.
Gubser	Mack, Wash.	Rooney
Hagen	Madden	Roosevelt
Halleck	Magnuson	Rostenkowski
Halpern	Mahon	Roush
Hardy	Mailliard	Rutherford
Hargis	May	Santangelo
Harmon	Meador	Saund
Harris	Merrow	Schenck
Hays	Metcalf	Schwengel
Healey	Meyer	Scott
Hébert	Michel	Selden
Hechler	Miller, Clem	Shelley
Hemphill	Miller,	Shipley
Henderson	George P.	Simpson, Ill.
Herlong	Mills	Sisk
Hoffman, Ill.	Mitchell	Slack
Hogan	Monagan	Smith, Iowa
Holland	Montoya	Smith, Kans.
Holt	Morgan	Smith, Miss.
Holtzman	Morris, N. Mex.	Smith, Va.
Horan	Morris, Okla.	Spence
Hosmer	Morrison	Springer
Huddleston	Moss	Steed
Hull	Moulder	Stratton
Ikard	Multer	Stubblefield
Inouye	Murphy	Sullivan
Irwin	Murray	Teague, Tex.
Jackson	Natcher	Thomas
Jarman	Nix	Thompson, La.
Jennings	Norblad	Thompson, Tex.
Johnson, Calif.	Norrell	Thomson, Wyo.
Johnson, Colo.	O'Brien, Ill.	Thornberry
Johnson, Md.	O'Hara, Ill.	Toll
Johnson, Wis.	O'Hara, Mich.	Trimble
Jonas	Olmert	Tuck
Jones, Ala.	Ostertag	Udall
Karsten	Passman	Ullman
Kasem	Pelly	Vahik
Kastenmeier	Perkins	Van Zandt
Kearns	Pfost	Vinson
Kee	Philbin	Wainwright
Keith	Pilcher	Wallhauser
Kelly	Pirnie	Walter
Kilday	Roff	Wampler
Kilgore	Porter	Watts
King, Calif.	Price	Weis
King, Utah	Prokop	Wharton
Kirwan	Putinski	Whitener
Kitchin	Quie	Whitten
Kluczynski	Rabaut	Widnall
Knox	Rains	Wier
Kowalski	Randall	Williams
Lane	Ray	Willis
Lankford	Reece, Tenn.	Winstead
Lennon	Rees, Kans.	Withrow
Libonati	Rhodes, Ariz.	Wolf
Lindsay	Rhodes, Pa.	Wright
Loft	Riley	Young
McCormack	Rivers, Alaska	Younger
McCulloch	Rivers, S.C.	Zablocki
McDowell	Roberts	Zelenka
McFall	Robison	

NAYS—46

Allen	Hoeffman, Mich.	Mumma
Andersen,	Jensen	Nelsen
Minn.	Johansen	O'Konski
Berry	Lafore	Preston
Budge	Laird	Saylor
Bush	Landrum	Short
Byrnes, Wis.	Langen	Siler
Cederberg	Latta	Simpson, Pa.
Cunningham	Lipscomb	Smith, Calif.
Dague	McMillan	Taber
Devine	Machrowicz	Teague, Calif.
Dorn, S.C.	Mason	Utt
Dowdy	Matthews	Weaver
Gross	Milliken	Wilson
Haley	Moore	
Hiestand		

NOT VOTING—67

Addonizio	Daniels	Jones, Mo.
Alger	Delaney	Judd
Anfuso	Derwinski	Keogh
Ayres	Dulski	Kilburn
Barden	Durham	Miller, N.Y.
Baumhart	Evins	Lesinski
Becker	Ford	Levering
Blitch	Gallagher	McDonough
Bolton	Gary	McSweeney
Brewster	Giaino	Marshall
Broyhill	Goodeil	Martin
Buckley	Gray	Minshall
Byrne, Pa.	Hail	Moeller
Canfield	Harrison	Moorhead
Carter	Hess	O'Brien, N.Y.
Cooley	Holifield	O'Neill

Patman	St. George	Teller
Pillion	Scherer	Thompson, N.J.
Poage	Sheppard	Tollefson
Powell	Sikes	Van Pelt
Quigley	Staggers	Westland
Reuss	Taylor	Yates
Riehlman		

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Buckley for, with Mr. Taylor against.
Mr. Keogh for, with Mr. Van Pelt against.
Mr. Yates for, with Mr. Kilburn against.

Until further notice:

Mr. Anfuso with Mr. Martin.
Mr. Addonizio with Mr. Baumhart.
Mr. Holfield with Mr. Becker.
Mr. Harrison with Mr. Broyhill.
Mr. Sheppard with Mr. Riehlman.
Mr. Sikes with Mr. Westland.
Mr. Moorhead with Mr. Miller of New York.
Mr. O'Neill with Mr. Alger.
Mr. Giaino with Mrs. Bolton.
Mr. Gallagher with Mr. Judd.
Mr. Teller with Mr. Ayres.
Mr. Byrne of Pennsylvania, with Mr. Hess.
Mr. Dulski with Mr. Ford.
Mr. Hall with Mr. Tollefson.
Mr. Quigley with Mr. Scherer.
Mr. Staggers with Mr. Minshall.
Mr. Thompson of New Jersey with Mr. Derwinski.
Mr. Delaney with Mr. Saylor.
Mr. Daniels with Mr. Pillion.
Mr. Evins with Mr. Goodell.
Mr. Moeller with Mr. Canfield.
Mr. Brewster with Mr. McDonough.
Mr. O'Brien of New York with Mrs. St. George.

The result of the vote was announced as above recorded.

The doors were opened.

SUSPENSION OF THE RULES

The SPEAKER. The unfinished business is, Will the House suspend the rules and pass House Resolution 379?

The Clerk read the resolution, as follows:

Resolved, That it shall be in order for the Speaker at any time on Thursday, September 10, 1959, and at any time during the remainder of the week, to entertain motions to suspend the rules, notwithstanding the provisions of clause 1, rule XXVII.

Mr. GROSS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

INCREASED PER DIEM ALLOWANCE FOR TRAVEL

The SPEAKER. The further unfinished business is, Will the House suspend the rules and pass the bill (H.R. 5196) to increase the maximum rates of per diem allowance for employees of the Government traveling on official business, and for other purposes?

The Clerk read the title of the bill.

The question was taken; and on a division (demanded by Mr. HADLECK) there were—yeas 246, noes 68.

86TH CONGRESS
1ST SESSION

H. R. 7758

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 9 (legislative day, SEPTEMBER 5), 1959

Read twice and referred to the Committee on Post Office and Civil Service

AN ACT

To improve the administration of overseas activities of the Government of the United States, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Overseas Differentials and
4 Allowances Act".

5 TITLE I—PURPOSE AND DEFINITIONS

6 PART A—PURPOSE

7 SEC. 101. The Congress hereby declares that it is the
8 purpose of this Act to improve and strengthen the adminis-
9 tration of overseas activities of the Government by—

1 (1) providing a means for more effectively com-
2 pensating Government employees for the extra costs and
3 hardships incident to their assignments overseas,

4 (2) providing for the uniform treatment of Gov-
5 ernment employees stationed overseas to the extent
6 justified by relative conditions of employment,

7 (3) establishing the basis for the more efficient and
8 equitable administration of the laws compensating Gov-
9 ernment employees for the extra costs and hardships
10 incident to their assignments overseas, and

11 (4) facilitating for the Government the recruit-
12 ment and retention of the best qualified personnel for
13 civilian service overseas.

14 PART B—DEFINITIONS

15 SEC. 111. As used in this title, title II, and section
16 522 of title V, the term—

17 (1) “Government” means the Government of the
18 United States of America;

19 (2) “Government agency” means (A) each executive
20 department of the Government, (B) each independent estab-
21 lishment or agency in the executive branch of the Govern-
22 ment, including each corporation wholly owned (either
23 directly or through one or more corporations) by the Gov-
24 ernment, (C) the General Accounting Office, and (D) the
25 Library of Congress;

(3) "Employee" means an individual employed in the civilian service of a Government agency and more specifically defined in regulations prescribed by the President, but including ambassadors, ministers, and officers of the Foreign Service of the United States under the Department of State;

(4) "United States", when used in a geographical sense, means the several States of the United States of America and the District of Columbia;

(5) "Continental United States" means the several States of the United States of America, excluding Alaska and Hawaii but including the District of Columbia; and

(6) "Foreign area" means any area (including the Trust Territory of the Pacific Islands) situated outside the United States, the Commonwealth of Puerto Rico, the Canal Zone, and the possessions of the United States.

TITLE II—ALLOWANCES AND DIFFERENTIALS

IN FOREIGN AREAS

PART A—GENERAL PROVISIONS

SEC. 201. Notwithstanding section 1765 of the Revised Statutes (5 U.S.C. 70), the allowances and differentials provided by this title are authorized for and may be granted only to an employee officially stationed in a foreign area unless otherwise provided in this title—

(1) who is a citizen of the United States, and

1 (2) whose rate of basic compensation is fixed by
2 statute or, without taking into consideration the allow-
3 ance and differentials provided by this title, is fixed by
4 administrative action pursuant to law or is fixed
5 administratively in conformity with rates paid by the
6 Government for work of a comparable level of difficulty
7 and responsibility in the continental United States,
8 except that such allowances and differentials may be paid to
9 an employee officially stationed in a foreign area who is not
10 a citizen of the United States to the extent that the payment
11 of such allowances and differentials to such non-citizen em-
12 ployee is authorized by any provision of law other than this
13 title.

14 SEC. 202. Allowances granted under this title may be
15 paid in advance, or advance of funds may be made therefor,
16 through the proper disbursing officer in such sums as may
17 be deemed advisable in consideration of the need and the
18 period of time during which expenditures must be made in
19 advance by the employee or employees. Any advance of
20 funds not subsequently covered by allowances accrued to
21 the employee or employees under this title shall be recover-
22 able by the Government by setoff against accrued salary,
23 pay, compensation, amount of retirement credit, or other
24 amount due from the Government to such employee or
25 employees and by such other method as may be provided by

1 law for the recovery of amounts owing to the Government.

2 SEC. 203. The allowances and differentials authorized
3 by this title shall be paid in accordance with regulations
4 prescribed by the President establishing rules governing pay-
5 ments thereof and the respective rates at which such pay-
6 ments shall be made, the foreign areas, the groups of posi-
7 tions, and the categories of employees to which such rates
8 shall apply, and other related matters.

9 PART B—QUARTERS ALLOWANCES

10 SEC. 211. Whenever Government-owned or Govern-
11 ment-rented quarters are not provided without charge for
12 an employee in a foreign area, one or more of the following
13 quarters allowances may be granted to such employee where
14 applicable:

15 (1) A temporary lodging allowance for the reason-
16 able cost of temporary quarters incurred by the employee
17 and his family (A) for a period not in excess of three
18 months after first arrival at a new post of assignment in a
19 foreign area or a period ending with the occupation of resi-
20 dence quarters, whichever shall be shorter, and (B) for a
21 period of not more than one month immediately preceding
22 final departure from the post subsequent to the necessary
23 evacuation of residence quarters;

24 (2) A living quarters allowance for rent, heat, light,
25 fuel, gas, electricity, and water, without regard to the limi-

1 tations of section 3648 of the Revised Statutes, as amended
2 (31 U.S.C. 529) ; and

3 (3) Under unusual circumstances payment or reim-
4 bursement for extraordinary, necessary, and reasonable ex-
5 penses, not otherwise compensated for, incurred in initial re-
6 pairs, alterations, and improvements to an employee's
7 privately leased residence at a post of assignment in a foreign
8 area, if such expenses are administratively approved in ad-
9 vance and if the duration and terms of the lease justify
10 payment of such expenses by the Government.

11 PART C—COST-OF-LIVING ALLOWANCES

12 SEC. 221. The following cost-of-living allowances may
13 be granted, where applicable, to an employee in a foreign
14 area:

15 (1) A post allowance to offset the difference between
16 the cost of living at the post of assignment of the employee
17 in a foreign area and the cost of living in Washington, Dis-
18 trict of Columbia;

19 (2) A transfer allowance for extraordinary, necessary,
20 and reasonable expenses, not otherwise compensated for,
21 incurred by an employee incident to establishing himself at
22 any post of assignment in a foreign area or at a post of
23 assignment in the United States between assignments to
24 posts in foreign areas;

25 (3) A separate maintenance allowance to assist an em-

1 ployee who is compelled, by reason of dangerous, notably
2 unhealthful, or excessively adverse living conditions at his
3 post of assignment in a foreign area or for the convenience
4 of the Government, to meet the additional expense of main-
5 taining, elsewhere than at such post, his wife or his de-
6 pendants, or both;

7 (4) An education allowance or payment of transporta-
8 tion costs to assist an employee with the extraordinary and
9 necessary expenses, not otherwise compensated for, incurred
10 by reason of his service in any foreign area or foreign areas
11 in providing adequate education for his dependents, as
12 follows:

13 (A) An allowance not to exceed the cost of obtain-
14 ing such elementary and secondary educational services as
15 are ordinarily provided without charge by the public schools
16 in the United States, plus, in those cases where adequate
17 schools are not available at the employee's post, board and
18 room, and periodic transportation between such post and
19 the nearest locality, where adequate schools are available,
20 without regard to the limitations of section 3648 of the
21 Revised Statutes, as amended (31 U.S.C. 529); but the
22 amount of the allowance granted shall be determined on the
23 basis of the educational facility used;

24 (B) The cost of transporting dependents of an em-
25 ployee to and from a school in the United States to obtain

1 an American secondary or undergraduate college education,
2 not to exceed one trip each way for each dependent for the
3 purpose of obtaining each type of education; but no allow-
4 ance payments under subparagraph (A) of this paragraph
5 (4) shall be made for any dependent during the twelve
6 months following his arrival in the United States for sec-
7 ondary education pursuant to authority contained in this
8 subparagraph (B). Notwithstanding section 111(6) of
9 this Act, transportation, for the purpose of obtaining under-
10 graduate college education, may be authorized under this
11 subparagraph (B), under such regulations as the President
12 may prescribe, for dependents of employees who are citizens
13 of the United States stationed in the Canal Zone.

14 PART D—POST DIFFERENTIAL

15 SEC. 231. A post differential may be granted on the
16 basis of conditions of environment which differ substantially
17 from conditions of environment in the continental United
18 States and warrant additional compensation as a recruit-
19 ment and retention incentive. Such differential also may be
20 granted to any employee who is officially stationed in the
21 United States and who is on extended detail in a foreign area.
22 Additional compensation paid as a post differential shall not
23 in any instance exceed 25 per centum of the rate of basic
24 compensation.

1 TITLE III—MISCELLANEOUS EXPENSES 1

2 PART A—STORAGE 2

3 SEC. 301. (a) Paragraphs (4) and (5) of section 911
 4 of the Foreign Service Act of 1946 (22 U.S.C. 1136 (4)
 5 and (5)) are amended to read as follows: 6

6 “(4) the cost of packing and unpacking, transport-
 7 ing to and from a place of storage, and storing the
 8 furniture and household and personal effects of an officer
 9 or employee of the Service, when he is absent from his
 10 post of assignment under orders, or when he is as-
 11 signed to a post to which he cannot take or at which
 12 he is unable to use such furniture and household and
 13 personal effects, or when it is in the public interest or
 14 more economical to authorize storage; but in no instance
 15 shall the weight or volume of the effects stored together
 16 with the weight or volume of the effects transported
 17 exceed the maximum limitations fixed by regulations,
 18 when not otherwise fixed by law; 81

19 “(5) the cost of packing and unpacking, transport-
 20 ing to and from a place of storage, and storing the
 21 furniture and household and personal effects of an officer
 22 or employee of the Service in connection with assign-
 23 ment or transfer to a new post, from the date of his

1 departure from his last post or from the date of his
2 departure from his place of residence in the case of a
3 new officer or employee and for not to exceed three
4 months after arrival at the new post, or until the
5 establishment of residence quarters, whichever shall be
6 shorter; and, in connection with separation of an officer
7 or employee of the Service, the cost of packing and un-
8 packing, transporting to and from a place of storage, and
9 storing for a period not to exceed three months, his
10 furniture and household and personal effects; but in no
11 instance shall the weight or volume of the effects stored
12 together with the weight or volume of the effects trans-
13 ported exceed the maximum limitations fixed by regu-
14 lations, when not otherwise fixed by law.”

15 (b) Paragraphs (1) (D) and (E) of section 4 of the
16 Central Intelligence Agency Act of 1949 (63 Stat. 209,
17 72 Stat. 337; 50 U.S.C. 403e (a) (1) (D) and (E)) are
18 amended to read as follows:

19 “(D) pay the cost of packing and unpacking,
20 transporting to and from a place of storage, and storing
21 the furniture and household and personal effects of an
22 officer or employee of the Agency, when he is absent
23 from his post of assignment under orders, or when he is
24 assigned to a post to which he cannot take or at which
25 he is unable to use such furniture and household and

1 personal effects, or when it is in the public interest or
2 more economical to authorize storage; but in no instance
3 shall the weight or volume of the effects stored together
4 with the weight or volume of the effects transported
5 exceed the maximum limitations fixed by regulations,
6 when not otherwise fixed by law;

7 “(E) pay the cost of packing and unpacking, trans-
8 porting to and from a place of storage, and storing the
9 furniture and household and personal effects of an officer
10 or employee of the Agency in connection with assign-
11 ment or transfer to a new post, from the date of his de-
12 parture from his last post or from the date of his de-
13 parture from his place of residence in the case of a
14 new officer or employee and for not to exceed three
15 months after arrival at the new post, or until the es-
16 tablishment of residence quarters, whichever shall be
17 shorter; and in connection with separation of an officer
18 or employee of the Agency, the cost of packing and
19 unpacking, transporting to and from a place of storage,
20 and storing for a period not to exceed three months, his
21 furniture and household and personal effects; but in no
22 instance shall the weight or volume of the effects stored
23 together with the weight or volume of the effects trans-
24 ported exceed the maximum limitations fixed by regu-
25 lations, when not otherwise fixed by law.”

1 (c) The first section of the Administrative Expenses
2 Act of 1946 (60 Stat. 806), as amended (5 U.S.C. 73b-1),
3 is amended—

4 (1) by striking out “(not to exceed seven thousand
5 pounds if uncrated or eight thousand seven hundred and
6 fifty pounds if crated or the equivalent thereof when
7 transportation charges are based on cubic measure-
8 ment)” in subsection (a) of such section and inserting
9 in lieu thereof “(not to exceed seven thousand pounds
10 net weight)”; and

11 (2) by adding at the end of such section the follow-
12 ing new subsection:

13 “(e) Whenever any civilian officer or employee (in-
14 cluding any new appointee in accordance with section 7 of
15 this Act) is assigned to a permanent duty station outside the
16 continental United States to which he cannot take or at
17 which he is unable to use his household goods and personal
18 effects or whenever the head of the department concerned
19 authorizes storage of any such property in the public interest
20 or for reasons of economy, storage expenses (including re-
21 lated transportation and other expenses) may be allowed
22 such officer or employee in accordance with regulations pre-
23 scribed by the President; but in no instance shall the weight
24 of the property stored under this subsection, together with
25 the weight of property transported under subsection (a), ex-

ceed the maximum weight limitation provided by subsection (a).”

(d) The term “furniture and household and personal effects”, as used in the amendments made by this part to the Foreign Service Act of 1946, as amended, and the Central Intelligence Agency Act of 1949, as amended, and the term “household goods and personal effects”, as used in the amendments made by this part to the Administrative Expenses Act of 1946, as amended, mean such personal property of an employee and the dependents of such employee as the Secretary of State and the Director of Central Intelligence, as the case may be, with respect to the term “furniture and household and personal effects”, and the President, with respect to the term “household goods and personal effects”, shall by regulation authorize to be transported or stored under the amendments made by this part to such Acts (including, in emergencies, motor vehicles authorized to be shipped at Government expense). Such motor vehicle shall be excluded from the weight and volume limitations prescribed by the laws set forth in this part.

PART B—OFFICIAL RESIDENCE EXPENSES

SEC. 311. (a) The Administrative Expenses Act of 1946 (60 Stat. 806), as amended, is amended by adding at the end thereof the following new section:

“SEC. 22. Under such regulations as the President may

1 prescribe, funds available to the departments for admin-
2 istrative expenses may be allotted to posts in foreign coun-
3 tries for the purpose of defraying the unusual expenses inci-
4 dent to the operation and maintenance of official residences
5 suitable for the chief representatives of the United States at
6 such posts and such other senior officials of this Government
7 in foreign countries as the President may designate.”

8 (b) Section 8 of the United Nations Participation Act
9 of 1945, as amended (22 U.S.C. 287e), is amended by
10 striking out “and the allotment of funds, similar to the
11 allotment authorized by section 902 of the Foreign Service
12 Act of 1946, for unusual expenses incident to the operation
13 and maintenance of such living quarters, to be accounted for
14 in accordance with section 903 of said Act;” and inserting in
15 lieu thereof “and unusual expenses similar to those authorized
16 by section 22 of the Administrative Expenses Act of 1946,
17 as amended by section 311 of the Overseas Differentials and
18 Allowances Act, incident to the operation and maintenance
19 of such living quarters;”.

20 PART C—TRANSPORTATION OF MOTOR VEHICLES

21 SEC. 321. The first section of the Administrative Ex-
22 penses Act of 1946 (60 Stat. 806), as amended (5 U.S.C.
23 73b-1), is amended by adding thereto, immediately follow-
24 ing the new subsection (e) added to such first section by
25 section 301 (c) of this Act, the following new subsection:

1 “(f) Under such regulations as the President may pre-
2 scribe, the privately owned motor vehicle of any employee
3 (including any new appointee, in accordance with section
4 7 of this Act) assigned to a post of duty outside the conti-
5 nental United States on other than temporary duty orders
6 may be transported to, from, and between the continental
7 United States and such post of duty, or between posts of
8 duty outside the continental United States, whenever it is
9 determined by the head of the department concerned to be
10 in the interest of the Government for such employee to have
11 the use of a motor vehicle at his post of duty. Not more
12 than one motor vehicle of any employee may be transported
13 under authority of this subsection during any four-year pe-
14 riod, except that, as a replacement for such motor vehicle,
15 one additional motor vehicle of any employee may be so
16 transported during such period upon approval, in advance,
17 by the head of the department concerned and upon a deter-
18 mination, in advance, by such department head that such
19 replacement is necessary for reasons beyond the control of
20 the employee and is in the interest of the Government. After
21 the expiration of a period of four years following the date
22 of transportation under authority of this subsection of a
23 privately owned motor vehicle of any employee who has
24 remained in continuous service outside the continental United
25 States during such period, the transportation of a replace-

ment for such motor vehicle for such employee may be authorized, in accordance with this subsection, by the head of the department concerned. The head of each department may, in accordance with this subsection, authorize the transportation of privately owned motor vehicles of employees of such department, assigned to duty outside the continental United States, by commercial means if available at reasonable rates and under reasonable conditions or by Government means on a space-available basis. This subsection shall not apply to the Foreign Service of the United States under the Department of State and to the Central Intelligence Agency but shall not affect the authority contained in section 913 of the Foreign Service Act of 1946 (60 Stat. 1027; 22 U.S.C. 1138) or paragraph (4) of section 4 of the Central Intelligence Agency Act of 1949 (63 Stat. 210, 72 Stat. 337; 50 U.S.C. 403e (a) (4)).”

SEC. 322. Section 913 of the Foreign Service Act of 1946 (60 Stat. 1027; 22 U.S.C. 1138) is amended to read as follows:

“TRANSPORTATION OF MOTOR VEHICLES

“SEC. 913. The Secretary may, notwithstanding the provisions of any other law, transport for or on behalf of an officer or employee of the Service, a privately owned motor vehicle in any case in which he shall determine that water, rail, or air transportation of the motor vehicle is necessary

1 or expedient for all or any part of the distance between
2 points of origin and destination. Not more than one motor
3 vehicle of any such officer or employee may be transported
4 under authority of this section during any four-year period,
5 except that, as a replacement for such motor vehicle, one
6 additional motor vehicle of any such officer or employee may
7 be so transported during such period upon approval, in ad-
8 vance, by the Secretary and upon a determination, in advance,
9 by the Secretary that such replacement is necessary for
10 reasons beyond the control of the officer or employee and
11 is in the interest of the Government. After the expiration
12 of a period of four years following the date of transportation
13 under authority of this section of a privately owned motor
14 vehicle of any officer or employee who has remained in
15 continuous service outside the continental United States (ex-
16 cluding Alaska and Hawaii) during such period, the trans-
17 portation of a replacement for such motor vehicle for such
18 officer or employee may be authorized by the Secretary in
19 accordance with this section.”

20 SEC. 323. (a) That part of section 4 (a) of the Cen-
21 tral Intelligence Agency Act of 1949, as amended (63 Stat.
22 209, 73 Stat. 337; 50 U.S.C. 403e), which precedes para-
23 graph (1) thereof, is amended—

24 (1) by striking out “(a)”; and

25 (2) by striking out “permanent-duty stations out-

1 side the continental United States, its territories, and
2 possessions,” and inserting in lieu thereof “duty stations
3 outside the several States of the United States of Ameri-
4 ca, excluding Alaska and Hawaii, but including the
5 District of Columbia,”.

6 (b) Paragraph (4) of section 4 of the Central Intelli-
7 gency Agency Act of 1949, as amended (63 Stat. 210, 73
8 Stat. 337; 50 U.S.C. 403e (a) (4)), is amended to read
9 as follows:

10 “(4) Notwithstanding the provisions of any other
11 law, transport for or on behalf of an officer or employee
12 of the Agency, a privately owned motor vehicle in any
13 case in which it shall be determined that water, rail, or
14 air transportation of the motor vehicle is necessary or
15 expedient for all or any part of the distance between
16 points of origin and destination, and pay the costs of
17 such transportation. Not more than one motor vehicle
18 of any officer or employee of the Agency may be trans-
19 ported under authority of this paragraph during any
20 four-year period, except that, as a replacement for such
21 motor vehicle, one additional motor vehicle of any such
22 officer or employee may be so transported during such
23 period upon approval, in advance, by the Director and
24 upon a determination, in advance, by the Director that
25 such replacement is necessary for reasons beyond the

control of the officer or employee and is in the interest of the Government. After the expiration of a period of four years following the date of transportation under authority of this paragraph of a privately owned motor vehicle of any officer or employee who has remained in continuous service outside the several States of the United States of America, excluding Alaska and Hawaii, but including the District of Columbia, during such period, the transportation of a replacement for such motor vehicle for such officer or employee may be authorized by the Director in accordance with this paragraph."

TITLE IV—AMENDMENTS TO ANNUAL AND SICK LEAVE ACT OF 1951

SEC. 401. Subsections (d), (e), and (f) of section 203 of the Annual and Sick Leave Act of 1951, as amended (5 U.S.C. 2062 (d), (e), and (f)), are amended to read as follows:

"(d) Notwithstanding the provisions of subsection (c), a maximum accumulation not to exceed forty-five days at the beginning of the first complete biweekly pay period, or corresponding pay period in the case of an officer or employee who is not paid on the basis of biweekly pay periods, in any year is authorized for the following categories of employees of the Federal Government stationed outside the United States:

1 “(1) Persons directly recruited or transferred by the
2 Federal Government (A) from the United States, or (B)
3 from the Commonwealth of Puerto Rico or the possessions
4 of the United States for employment outside the area of re-
5 cruitment or from which transferred.

6 “(2) Persons employed locally but (A) (i) who were
7 originally recruited from the United States, or from the
8 Commonwealth of Puerto Rico or the possessions of the
9 United States but outside the area of employment, (ii) who
10 have been in substantially continuous employment by other
11 Federal agencies, United States firms, interests or organiza-
12 tions, international organizations in which the United States
13 Government participates, or foreign governments, and (iii)
14 whose conditions of employment provide for their return
15 transportation to the United States or the Commonwealth of
16 Puerto Rico or the possessions of the United States, or
17 (B) (i) who were at the time of employment temporarily
18 absent, for the purpose of travel or formal study, from the
19 United States, or from their respective places of residence in
20 the Commonwealth of Puerto Rico or the possessions of the
21 United States and (ii) who, during such temporary absence,
22 have maintained residence in the United States or in the Com-
23 monwealth of Puerto Rico or the possessions of the United
24 States but outside the area of employment.

25 “(3) Persons who are not normally residents of the

1 area concerned and who are discharged from service in the
2 Armed Forces of the United States to accept employment
3 with an agency of the Federal Government.

4 “(e) The leave granted pursuant to this title shall be
5 exclusive of the time actually and necessarily occupied in
6 going to and from the post of duty and exclusive of such
7 time as may be necessarily occupied in awaiting transporta-
8 tion, in the case of an officer or employee (1) who is within
9 the purview of subsection (d) of this section, (2) whose
10 post of duty is outside the United States, and (3) who
11 returns on leave to the United States, or to his place of
12 residence, which is outside the area of employment, in the
13 Commonwealth of Puerto Rico or the possessions of the
14 United States. The provisions of this subsection shall not
15 apply to more than one period of leave in a prescribed tour
16 of duty at a post outside the United States.

17 “(f) Upon completion of twenty-four months of
18 continuous service outside the United States, officers
19 and employees may be granted, in accordance with regula-
20 tions of the President, leave of absence at a rate not to
21 exceed one week for each four months of such service
22 without regard to any other leave provided by this title, for
23 use in the United States, or, if their respective places of
24 residence are outside the area of employment, in the Com-
25 monwealth of Puerto Rico or the possessions of the United

1 States. Such leave so granted may be accumulated for
2 future use without regard to the limitation in subsection
3 (d) of this section but no such leave shall be made the
4 basis for any terminal leave or for any lump-sum payment.”

5 SEC. 402. (a) Section 202 (b) (2) of the Annual and
6 Sick Leave Act of 1951, as amended (5 U.S.C. 2061 (b)
7 (2)), is amended to read as follows:

8 “(2) This title, except section 203 (g) , shall not apply
9 to alien employees who occupy positions outside the United
10 States.”

11 (b) Section 203 (g) of such Act, as amended (5 U.S.C.
12 2062 (g)), is amended by striking out “the several States and
13 the District of Columbia” and inserting in lieu thereof “the
14 United States”.

15 (c) Section 202 of such Act, as amended (5 U.S.C.
16 2061), is amended by adding at the end of such section
17 the following new subsection:

18 “(d) As used in this title, the term ‘United States’
19 means the several States of the United States of America
20 and the District of Columbia.”

21 SEC. 403. The amendments made by this title to the
22 Annual and Sick Leave Act of 1951, as amended, shall take
23 effect on the first day of the first pay period following the
24 date of enactment of this Act.

1 TITLE V—APPROPRIATION, REPEAL, AMENDA-
2 TORY, AND MISCELLANEOUS PROVISIONS

3 PART A—APPROPRIATION PROVISIONS

4 SEC. 501. (a) There are hereby authorized to be ap-
5 propriated such sums as may be necessary to carry out the
6 purposes of this Act and the amendments made by this Act.

7 (b) Appropriations or funds otherwise available, for
8 the fiscal year ending June 30, 1960, to any department,
9 agency, establishment or corporation of the Government of
10 the United States of America within the purview of this
11 Act or of any amendment made by this Act are hereby made
12 available for the purposes of this Act and of any such
13 amendment in accordance with the authority contained in
14 this Act or contained in any law amended by this Act and
15 in accordance with such regulations as the President may
16 prescribe.

17 PART B—REPEAL AND AMENDATORY PROVISIONS

18 SEC. 511. (a) The following provisions of law are
19 hereby repealed:

20 (1) Sections 443, 901 (1) and (2), 902, 903, and
21 911 (9) of the Foreign Service Act of 1946, as amended
22 (60 Stat. 1006, 1025, and 1026; 69 Stat. 27; 22 U.S.C.
23 888, 1131, 1132, 1133, and 1136 (9)) ;

24 (2) Sections 2 (b), 13, and 14 of the Act entitled "An

1 Act to provide certain basic authority for the Department
2 of State", approved August 1, 1956 (70 Stat. 890, 892;
3 Public Law 885, Eighty-fourth Congress; 5 U.S.C. 170g
4 (b), 170r, and 170s) ; and

5 (3) Sections 1(d) and 4 (b) of the Central Intelli-
6 gence Agency Act of 1949, as amended (63 Stat. 208 and
7 211; 50 U.S.C. 403a(d) and 403e(b)).

8 (b) Any provision of law which is not repealed by sub-
9 section (a) of this section but is inconsistent with any pro-
10 vision of this Act or of any amendment made by this Act
11 shall be held and considered to be amended, modified, or
12 superseded to the extent necessary to carry out the purposes
13 of and conform to such provision of this Act or of such
14 amendment.

15 (c) (1) Section 1(c) of the Central Intelligence
16 Agency Act of 1949 (63 Stat. 208; 50 U.S.C. 403a(c))
17 is amended by striking out "Government; and" and insert-
18 ing in lieu thereof "Government."

19 (2) Paragraph (1) (A) of section 4 of the Central
20 Intelligence Agency Act of 1949, as amended (63 Stat. 209;
21 72 Stat. 337; 50 U.S.C. 403e(a) (1) (A)), is amended to
22 read as follows:

23 "(1) (A) pay the travel expenses of officers and
24 employees of the Agency, including expenses incurred
25 while traveling pursuant to authorized home leave;"

1 (3) Paragraph (3) (A) of section 4 of such Act (63
2 Stat. 209 and 210; 72 Stat. 337; 50 U.S.C. 403e (a) (3)
3 (A)) is amended to read as follows:

4 “(3) (A) Order to any of the several States of
5 the United States of America (including the District of
6 Columbia, the Commonwealth of Puerto Rico, and any
7 territory or possession of the United States) on leave
8 of absence each officer or employee of the Agency who
9 was a resident of the United States (as described above)
10 at time of employment, upon completion of two years’
11 continuous service abroad, or as soon as possible there-
12 after.”

13 (4) Paragraph (3) (B) of section 4 of such Act (63
14 Stat. 210; 72 Stat. 337; 50 U.S.C. 403e (a) (3) (B)) is
15 amended to read as follows:

16 “(B) While in the United States (as described in
17 paragraph (3) (A) of this section) on leave, the service
18 of any officer or employee shall be available for work or
19 duties in the Agency or elsewhere as the Director may
20 prescribe; and the time of such work or duty shall not be
21 counted as leave.”

22 (5) Paragraph (3) (C) of section 4 of such Act (63
23 Stat. 210; 72 Stat. 337; 50 U.S.C. 403e (a) (3) (C)) is
24 amended to read as follows:

25 “(C) Where an officer or employee on leave returns

1 to the United States (as described in paragraph (3) (A)
2 of this section), leave of absence granted shall be ex-
3 clusive of the time actually and necessarily occupied in
4 going to and from the United States (as so described)
5 and such time as may be necessarily occupied in awaiting
6 transportation.”

7 (6) The Act entitled “An Act to provide living quarters,
8 including heat, fuel, and light, for civilian officers and em-
9 ployees of the Government stationed in foreign countries”,
10 approved June 26, 1930 (46 Stat. 818; Public Law 445,
11 Seventy-first Congress; 5 U.S.C. 118a), is amended—

12 (A) by striking out “and, where such quarters are
13 not available, may be granted an allowance for living
14 quarters, including heat, fuel, and light, notwithstanding
15 the provisions of section 1765 of the Revised Statutes
16 (U.S.C., title 5, sec. 70)”; and

17 (B) by striking out that part of the first proviso of
18 such Act of June 26, 1930, which reads “or allowances
19 in lieu thereof”.

20 PART C—MISCELLANEOUS PROVISIONS

21 SEC. 521. Whenever reference is made in any other
22 law or in any regulation to any provision of law which is re-
23 pealed, modified, amended, or superseded by reason of sec-
24 tion 511 of this Act, such reference, unless inconsistent

1 with this Act, shall be held and considered to refer to this
2 Act or the appropriate provision of, or amendment made by,
3 this Act.

4 SEC. 522. Notwithstanding any provision of this Act
5 and until such time as regulations are issued under this
6 Act, employees shall continue to be paid allowances and dif-
7 ferentials in accordance with rules and regulations issued pur-
8 suant to the laws in effect immediately prior to the enactment
9 of this Act and such rules and regulations may be amended
10 or revoked in accordance with the provisions of such laws.

11 SEC. 523. (a) Section 912 of the Internal Revenue
12 Code of 1954 (relating to exemption for certain allowances)
13 is amended to read as follows:

14 **"SEC. 912. EXEMPTIONS FOR CERTAIN ALLOWANCES.**

15 "The following items shall not be included in gross in-
16 come, and shall be exempt from taxation under this subtitle:

17 "(1) **FOREIGN AREAS ALLOWANCES.**—In the case
18 of civilian officers and employees of the Government of
19 the United States, amounts received as allowances or
20 otherwise (but not amounts received as post differen-
21 tials) under—

22 "(A) title IX of the Foreign Service Act of
23 1946, as amended (22 U.S.C., sec. 1131 and
24 following),

1 “(B) section 4 of the Central Intelligence
2 Agency Act of 1949, as amended (50 U.S.C., sec.
3 403e),

4 “(C) title II of the Overseas Differentials and
5 Allowances Act, or

6 “(D) subsection (e) or (f) of the first section
7 of the Administrative Expenses Act of 1946, as
8 amended, or section 22 of such Act.

9 “(2) COST-OF-LIVING ALLOWANCES.—In the case
10 of civilian officers or employees of the Government of
11 the United States stationed outside the continental
12 United States (other than Alaska), amounts (other than
13 amounts received under title II of the Overseas Differen-
14 tials and Allowances Act) received as cost-of-living
15 allowances in accordance with regulations approved by
16 the President.”

17 (b) Paragraphs (1) and (2) of section 912 of the
18 Internal Revenue Code of 1954, as amended by subsec-
19 tion (a) of this section, shall apply only with respect to
20 amounts received on or after the date of the enactment of
21 this Act in taxable years ending on or after such date.

Passed the House of Representatives September 8, 1959.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

To improve the administration of overseas activities of the Government of the United States, and for other purposes.

SEPTEMBER 9 (legislative day, SEPTEMBER 5), 1959

Read twice and referred to the Committee on Post
Office and Civil Service

June 15, 1960

8. LANDS; ELECTRIFICATION. The Government Operations Committee approved two reports, "Land Appraisal Practices, Department of Interior, Bureau of Land Management, Arizona" and "Electric Power Contract for Yellowstone National Park." p. D557
9. APPROPRIATIONS; ITEM VETO. Rep. Schwengel spoke in support of legislation to give the President authority to veto individual items in appropriation bills, and reviewed the history of the item veto as it has been used in the various States. pp. 11831-3

SENATE

10. MILK; PRICE SUPPORTS. The Agriculture and Forestry Committee reported with amendment S. 2917, to modify the price support level for milk and butterfat (S. Rept. 1592). p. 11705
11. COTTON; ACREAGE ALLOTMENTS; LAND GRANT COLLEGES. The Agriculture and Forestry Committee voted to report (but did not actually report) the following bills:
p. D554
H. R. 12115, to extend the present minimum national marketing quota for extra-long staple cotton to the 1961 crop;
H. R. 11646, with amendment, to amend the act authorizing the Secretary of Agriculture to collect and publish statistics of the grade and staple length of cotton by defining certain offenses in connection with the sampling of cotton classification and providing a penalty provision;
S. 3117, to treat all basic agricultural commodities alike with respect to the cost of remeasuring acreage allotments; and
S. 3450, relating to the endowment and support of colleges of agriculture and mechanic arts, to increase the authorized appropriations for resident teaching grants to land-grant institutions.
12. PERSONNEL. The Government Operations Committee reported without amendment S. 3485, to provide for the payment of travel and transportation costs for persons selected for appointment to certain positions in the U. S. (S. Rept. 1584). pp. 11705
The Government Operations Committee reported with amendment H. R. 766, to amend existing laws so as to modify the strict penalty provision in title 5, U. S. Code, for the use of Government-owned vehicles and aircraft for other than official purposes and give to the heads of departments or agencies the discretion of fixing the disciplinary action in any given case (S. Rept. 1587). p. 11705
The Post Office and Civil Service Committee reported an original bill, S. 3672, to increase the salaries of Federal classified and postal employees (S. Rept. 1590). p. 11705
The Post Office and Civil Service Committee voted to report (but did not actually report) H. R. 7758, to improve the administration of overseas activities of the Government by providing for the establishment of a coordinated and uniform system for more effectively compensating Government employees for additional costs, and for hardships and inconveniences, incident to their working assignments in overseas areas and providing for uniformity of treatment for all overseas employees to the extent justified by relative conditions of employment; and S. 3421, relating to payment of death benefits under the Federal Employees' Group Life Insurance Act. p. D555
13. FORESTRY. The Agriculture and Forestry Committee voted to report (but did not actually report) S. J. Res. 95, providing for the acceleration of the reforestation programs of the Departments of Agriculture and Interior. p. D554

Sen. Goldwater commended the Forest Service on their work in creating "a very unique playground out of land that was of little value to either the citizenry or the Forest Service" and suggested that similar programs throughout the U. S. would be of value. pp. 11712-3

14. WATERSHEDS. The "Daily Digest" states that the Agriculture and Forestry Committee approved the following watershed projects: Caney Creek, Ky.; Chippewa Creek, Ohio; Ischua Creek, N. Y.; Mill Creek, Pa.; North Broad River, Ga.; North Fork of Little River, Ky.; and West Fork, Clarks River, Ky. p. D554
15. WILDLIFE; CHEMICAL PESTICIDES. The Interstate and Foreign Commerce Committee voted to report with amendment (but did not actually report) S. 3473, requiring consultation with the Fish and Wildlife Service and appropriate State agencies prior to instituting programs using chemical pesticides in biological control. The "Daily Digest" states that this bill was amended by the substitution of the language of H. R. 12419, a similar bill which has been reported by the House. p. D555
16. DEFENSE DEPARTMENT APPROPRIATION BILL, 1961. Began debate on this bill, H. R. 11998, but deferred final consideration until today, June 16. pp. 11784-5
17. GENERAL GOVERNMENT MATTERS APPROPRIATION BILL, 1961. A subcommittee of the Appropriations Committee voted to report with amendments to the full committee this bill, H. R. 11389. p. D554
18. INDEPENDENT OFFICES APPROPRIATION BILL, 1961. A subcommittee of the Appropriations Committee voted to report with amendments to the full committee this bill, H. R. 11776. p. D554
19. TRANSPORTATION. The Interstate and Foreign Commerce Committee voted to report with amendment (but did not actually report) S. 3228, relating to issuance of certificates of convenience and necessity by the ICC to certain common carriers by motor vehicle. p. D555
The Banking and Currency Committee reported with amendment S. 3278, to amend the Housing Act of 1954 to assist State and local governments and their instrumentalities in improving mass transportation services in metropolitan areas (S. Rept. 1591). p. 11705
20. BOTANICAL GARDEN. The Public Works Committee reported with amendment S. 2919, to authorize the Secretary of the Smithsonian Institution to study and investigate the desirability and feasibility of establishing a national tropical botanic garden in Hawaii (S. Rept. 1589). p. 11705
21. INFORMATION; PUBLICATIONS. The Government Operations Committee reported without amendment S. 3579, to authorize agencies of the Government of the U. S. to pay in advance for required publications (S. Rept. 1583). p. 11705
Received a report by the Comptroller General "Refusals to the General Accounting Office of Access to Records of the Executive Departments and Agencies" (S. Doc. 108). p. 11707
22. CONTRACTS; PURCHASING. The Government Operations Committee reported with amendment S. 3487, to amend the "Anti-Kickback Statute" to extend it to all negotiated contracts (S. Rept. 1585). p. 11705
23. LANDS. Received from the Defense Department proposed legislation to provide for the withdrawal from the public domain of lands in the Ladd-Eielson, Big Delta,

June 22, 1960

10. APPROPRIATIONS; ITEM VETO. Rep. Schwengel reviewed the arguments, pro and con, concerning proposals to give the President authority to veto individual items in appropriation bills. pp. 12854-6
11. LEGISLATIVE PROGRAM. Rep. McCormack stated that the supplemental appropriation bill will be considered next after the farm bill is disposed of. p. 12798

SENATE

12. INDEPENDENT OFFICES APPROPRIATION BILL, 1961. Passed by a vote of 75 to 8, with amendments, this bill, H. R. 11776. (pp. 12709, 12726-45) Senate conferees were appointed. p. 12745
13. GENERAL GOVERNMENT MATTERS APPROPRIATION BILL, 1961. Passed by a vote of 81 to 1, with amendments, this bill, H. R. 11389. (pp. 12745, 12749-55) Senate conferees were appointed. p. 12755
14. CIVIL DEFENSE. Sen. Young criticized the Office of Civil and Defense Mobilization as being outdated and called for a scrapping of "civil defense as now conducted." p. 12682
15. FORESTRY. The Interior and Insular Affairs Committee reported without amendment S. J. Res. 95, to provide for the acceleration of the various reforestation programs of the Departments of Agriculture and Interior (S. Rept. 1653). p. 12672
16. FARM PROGRAM. Sen. Humphrey criticized the administration programs in the fields of rural development, strategic stockpiling of food, national and international food and fiber program, and industrial uses. Sens. Dirksen and Case defended the administration programs and discussed the Public Law 480 program. pp. 12712-24
17. FOREST ROADS. The Public Works Committee voted to report with amendments (but did not actually report) H. R. 10495, to authorize appropriations for the fiscal years 1962 and 1963 for the construction of certain highways, including authorization for the construction of forest highways and forest development roads and trails. The "Daily Digest" states that the bill was amended to include the language of S. 3290, which extends the share payable on public domain roads, exclusive of those on forest lands, and S. 3412, relating to payments on Federal-aid projects undertaken by a Federal agency. p. D592
18. LANDS. The Public Works Committee voted to report (but did not actually report) H. R. 11522, authorizing conveyance of certain U. S. land to States and other political subdivisions for highway improvements, and S. 3260, authorizing the Secretary of the Army to modify certain leases entered into for the provision of recreational facilities in reservoir areas. p. D593
The Interior and Insular Affairs Committee reported without amendment S. 2806, to revise the boundaries of the Coronado National Memorial and to authorize the repair and maintenance of an access road thereto (S. Rept. 1654). pp. 12671-2
19. TRANSPORTATION. The Interstate and Foreign Commerce Committee reported with amendments S. 3228, relating to the issuance of certificates of convenience and necessity by the ICC to certain common carriers by motor vehicle (S. Rept. 1648). p. 12671

20. PERSONNEL. The Post Office and Civil Service Committee reported with amendments H. R. 7758, to improve the administration of overseas activities of the U. S. Government (S. Rept. 1647). p. 12671
- The Government Operations Committee voted to report (but did not actually report) S. Res. 338, relating to tenure of office of individuals appointed to Government administrative and policymaking posts; and with amendment, H. R. 5196, to increase the per diem allowance for Government employees in a travel status from \$12 to \$16. p. D592
21. VETERANS' BENEFITS. The Labor and Public Welfare Committee reported with amendments S. 3274, to permit certain veterans pursuing courses of vocational rehabilitation training to continue in pursuit thereof for such period as may be necessary to complete such courses (S. Rept. 1644); and with amendment, S. 3275, to extend, with respect to World War II veterans, guaranteed loan programs relating to home, farm, and business loans (S. Rept. 1646). p. 12672
22. MINERALS. Passed as reported H. R. 10445, to amend the Mineral Leasing Act of Feb. 25, 1920. (pp. 12757-61) Senate conferees were appointed (p. 12761).
23. MINIMUM WAGE. The Labor and Public Welfare Committee voted to report (but did not actually report) an original bill to amend the Fair Labor Standards Act relating to minimum wage. The "Daily Digest" states that, as approved, the bill would increase "the minimum wage to \$1.15 per hour for the first year, \$1.20 an hour for the second year, and \$1.25 an hour thereafter; and would provide coverage for an additional 5 million employees, principally in the retail and service trades." p. D592
24. WATER. The Public Works Committee voted to report (but did not actually report) S. 3625, to establish a Wabash Basin Interagency Water Resources Commission. p. D592
25. AIR POLLUTION. The Public Works Committee voted to report (but did not actually report) with amendment S. 3103, to provide for public hearings on air pollution problems, and to extend the duration of the air pollution control law. pp. D592-3
- Sen. Keating urged support for legislation to combat air pollution and inserted a letter from HEW pointing out the need for such legislation. pp. 12711-2
26. WATERSHEDS. The Public Works Committee approved the following watershed projects: Big Prairie and French Creeks, Ala.; Misteguay Creek, Mich.; Upper Black Bear Creek, Okla.; Mill Run, Pa.; Reelfoot-Indian Creeks, Tenn.; and Olmitos and Garcias Creeks, Tex. p. D593
27. AUDIT REPORT. Both Houses received an audit report on the Federal Housing Administration and the Housing and Home Finance Agency for the fiscal year 1959. pp. 12671, 12859
28. LAMB AND WOOL IMPORTS. Sen. Mansfield inserted an article commending Sen. McGee's recent speech in the Senate in support of "fixed quotas on imports of live sheep and lambs, lamb and mutton." pp. 12694-5

OVERSEAS DIFFERENTIALS AND ALLOWANCES ACT

JUNE 22, 1960.—Ordered to be printed

Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service, submitted the following

REPORT

[To accompany H.R. 7758]

The Committee on Post Office and Civil Service, to whom was referred the bill (H.R. 7758) to improve the administration of overseas activities of the Government of the United States, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill, as amended, do pass.

PURPOSE

The purpose of this bill is to improve and strengthen Government overseas activities by establishing a uniform system for compensating all Government employees in overseas posts irrespective of the agency by which they are employed. The bill would provide uniformity of treatment for all overseas employees to the extent justified by relative conditions of employment. Current applicable laws do not provide this uniformity. They authorize benefits for the employees of certain agencies, while the employees of other agencies are denied them because of the lack of statutory authority, even though the conditions of employment of the two groups are substantially the same.

Many of the provisions of H.R. 7758 are already authorized for certain agencies by the Foreign Service Act and by other legislation. These agencies, referred to here as foreign affairs agencies, are the Department of State, the U.S. Information Agency, the International Cooperation Administration, the Foreign Agricultural Service, the Federal Aviation Administration, and the Veterans' Administration.

Some of the provisions of this measure are also already authorized for all agencies. These provisions are repeated in this bill, sometimes with minor language changes, in order to clarify and consolidate exist-

ing law and to make H.R. 7758 all-inclusive in the field of overseas differential and allowance payments.

Thus, the bill extends certain benefits now authorized only for the foreign affairs agencies to non-foreign-affairs agencies as well.

It adds a limited number of new benefits for all agencies.

It continues benefits now already authorized for all agencies by existing legislation.

STATEMENT

The provisions of H.R. 7758 are based on an official recommendation submitted by the Department of Defense as part of the President's legislative program in the 85th Congress.

Public hearings on this bill were held in the House last year and the bill passed on September 8, 1959.

The Senate held hearings on June 2, 1960. Favorable testimony was received from the Department of Defense, Department of State, Civil Service Commission, and representatives of employee groups. There was no adverse testimony from any source. The measure was developed as the result of studies by both the Senate and House Committees on Post Office and Civil Service, extending over a period of years and with the cooperation of the Department of Defense, the Department of State, and other agencies having an interest in the manifold problems involved.

The importance of sound and effective personnel policies in the conduct of our overseas programs is well recognized. The success of such programs depends largely upon the employees engaged in carrying them out. The effectiveness of their performance is directly related to the fairness and wisdom inherent in the policies under which personnel are employed.

To this end, this bill advances the recognized principle that is civilian employees should be adequately reimbursed for additional expenses necessarily incurred because of their overseas services; that they should be compensated for hardship, inconveniences, or other environmental and working conditions not encountered in the United States; and that, insofar as practicable, these overseas employees should be compensated upon the basis of the same criteria without regard to the identity of the employing Federal agency.

SUMMARY OF MAJOR PROVISIONS OF H.R. 7758

I. QUARTERS ALLOWANCE

1. The bill continues for all agencies present authority to provide overseas quarters or grant allowances in lieu of Government quarters (sec. 211).

Either a quarters allowance or free Government quarters are furnished to each American citizen civilian employee living in a foreign area by reason of his employment by the U.S. Government.

The quarters allowance is paid as a reimbursement of allowable costs incurred up to established ceilings.

It is not paid concurrently with temporary lodging allowance or travel per diem. Nor is it paid if free Government quarters are provided.

2. The bill extends to non-foreign-affairs agencies authority to pay temporary lodging allowance upon first arrival at new post (sec. 211).

This temporary lodging allowance would be given to help newly arrived employees defray expenses of hotel rooms while locating residence quarters and awaiting arrival of furniture.

It would be used only within the first 3 months after first arrival at a post, and it would not be paid concurrently with the quarters allowance or travel per diem, and expenses for meals are not included as part of it.

Posts are grouped into 15 classes varying with lodging costs at hotels used by Government employees. A maximum rate is set for each class. The amount paid is the actual cost or the maximum, whichever is less.

The temporary lodging allowance will cover only average prices for adequate but not luxurious accommodations, including lodging, heat, light, fuel, and water. It is allowed while the employee is locating and arranging for suitable quarters and awaiting the arrival of his furniture. Assurance has been given the committee that this policy will be spelled out in the administrative regulations governing such allowance.

Existing law provides that the amount paid as a temporary lodging allowance to employees of foreign affairs agencies may not exceed the amount of the per diem that would be allowable to the employee and his family if they were in travel status. This provision is omitted from H.R. 7758 for two reasons.

(a) Temporary lodging rates are established to cover only the cost of hotel rooms, whereas per diem rates cover this and the cost of meals as well. Per diem rates are therefore usually more than double temporary lodging allowance rates. By definition, in other words, the temporary lodging rate never exceeds the travel per diem otherwise allowable. Thus the present limitation never applies.

(b) Even if a ceiling were necessary, it is inequitable to base it on the per diem otherwise allowable because no per diem is authorized for families of employees of non-foreign-affairs agencies. For such an employee, if he had a large family, not even his room costs would be covered by the allowance.

The extension of the temporary lodging allowance so that it will be available to all employees who may be faced with heavy hotel expenses upon first arrival at a post is seen as a needed improvement. Morale suffers when two employees arrive at a post together, are booked into the same hotel, pay the same room rate, but receive a different allowance. At present the employee of a foreign affairs agency receives the temporary lodging allowance to defray his expenses, while the other employee receives the regular quarters allowance, which is much lower, since it is based upon the cost of a house or apartment and not upon the cost of a hotel room.

3. The bill adds for all agencies authority to pay temporary lodging allowances at the end of tour of duty (sec. 211).

This allowance would be identical with the present temporary lodging allowance authorized foreign affairs agencies, except that it would be paid for periods of up to 1 month at the end of a tour of duty, as opposed to the beginning of a tour.

Generally, an employee moves to a hotel for a short period just prior to leaving his post. Thus he avoids another full month's rent and allows time for the completion of departure arrangements.

The right to a full month's temporary lodging allowance does not automatically follow from the receipt of transfer or separation orders. Only as much of the month will be allowed as is justified by the circumstances.

Employees are transferred at the convenience of the Government and are seldom able to control the timing of departure. It is viewed as unfair that employees should be put to the personal expense of the extra cost of hotel rooms when they vacate their privately leased quarters just prior to leaving the post. Sparing use of this payment is envisaged, since most employees will prefer not to move from regularly established quarters until the day of departure if it can be avoided. Regulations will spell out strict administration of this authority.

4. The bill extends to non-foreign-affairs agencies the authority to include water as a utility to be covered by the quarters allowance (sec. 211).

Existing law permits the quarters allowance to cover rent, heat, light, fuel, gas, and electricity. Foreign affairs agencies may include water in addition to the other utilities specified. This section of the bill extends such authority to all Government agencies.

This is an example of the small differences in the allowances authority among agencies. While water at most posts is not an expensive item, no reason for a difference in treatment among the agencies has been advanced.

5. The bill adds for all agencies the authority to reimburse employees for initial repairs to make substandard dwellings habitable (sec. 211).

The purpose of this allowance is to make substandard or uninhabitable dwellings suitable for occupancy.

At certain posts of assignment, habitable quarters are not obtainable unless the employee bears substantial costs for necessary basic repairs, alterations, and improvements.

It is not intended that the allowance cover any alteration which is not basic to making a dwelling habitable, such as redecorating. The Government agencies could require that the lease contain, whenever feasible, provisions permitting a change of lessees without change in other provisions of the lease in order that the quarters concerned could be made available to another employee in the event of the transfer or separation of the original tenant.

It is understood that appropriate regulations will be issued to provide that the total cost for an employee will not exceed his normal maximum authorized quarters allowance for 2 years.

The need to pay for initial repairs to make substandard quarters habitable is limited to a few areas of the world. These areas are characterized by a dearth of houses or apartments in reasonable repair and by a heavy influx of persons seeking housing. Army and Air Force personnel in provincial France, Spain, and Italy, and in cities such as Tokyo and Seoul have encountered these conditions.

Authority to reimburse employees for initial repairs would be utilized only in specific areas and for specific periods of time. For those

few employees affected, however, this authority would enable them to avoid the undesirable choice between living for 2 years in a house, say, without inside plumbing or spending large sums out-of-pocket to install such plumbing.

6. The bill extends to non-foreign-affairs agencies authority for advance payment of all allowances (sec. 202).

Authority for payment of quarters allowances in advance would be restricted to localities where local customs necessitate such advance payments and where the individual lessor requires it.

Employees granted advance payments are required to negotiate a minimum advance rental payment. Whenever possible, prepayment leases must contain a 30-day cancellation clause, provide for refund of the remaining portion of the prepaid rent in case of cancellation, and provide the privilege of subletting to another employee, as required.

Advance payment of quarters allowances may not be made for a period less than 3 months nor for more than 1 year unless specifically authorized by the Department. The maximum amounts that may be paid in advance for any given period may not exceed the annual rate of the authorized maximum quarters allowance, or the total rent cost for the period of the lease, whichever is less.

Authority to pay all allowances in advance appears in the general provisions of the bill, since existing law authorizes advance payment of all allowances of foreign affairs agencies. In practice, however, the foreign affairs agencies which now have this authority are using it only for making advance rent payments.

An advance of funds which is not subsequently covered by allowances accrued to the employee concerned will be recoverable by the Government. Recovery may be effected by setoff against salary, retirement credit, or other amount due from the Government.

The granting of quarters allowances in advance has been authorized by the Department of State during the past 3 years only for approximately 50 of its overseas posts. Efforts to hold the need for advances to a minimum have been reasonably successful. In those few areas where it has been determined that advance payments must be made in order to secure adequate housing, it is felt that all employees of the Government should have the privilege of drawing their quarters allowances in advance, there being no reason for different treatment of employees faced with the same problem.

Amortization of rental advances is effected by pay period. On the employee's separation or transfer from the post, the unliquidated portion of the advance must be repaid.

In a few instances in which substantial losses would have been suffered because of unusual circumstances such as the evacuation of Baghdad in July 1958, the Department of State has agreed to grant employees special allowances to relieve them of the loss incurred. The language of the measure as it passed the House appears to preclude such relief and to require that in all cases any advance not subsequently earned must be recovered from the employee. In order to provide needed flexibility and to prevent unwarranted hardship when the inability to earn the allowance necessary to repay the advance is not the fault of the employee, the committee recommends an amendment

consisting of the addition of the following provision at the end of section 202:

The head of the department concerned may, in accordance with regulations of the President, waive in whole or in part any right of recovery under this section, if it is shown that such recovery would be against equity and good conscience or against the public interest.

II. COST-OF-LIVING ALLOWANCES

1. The bill continues present authority for all agencies to pay post allowances to compensate for living costs higher than in Washington, D.C. (sec. 221).

The post allowance is a cost-of-living allowance paid to civilian employees assigned to foreign posts when the cost of living is substantially higher than in Washington.

No post allowances are paid to employees assigned to any post that does not exceed Washington costs by as much as 2½ percent. Determinations are based upon reports received from each post showing approximately 700 prices. Consideration is given to the amount of goods purchased from local markets, from commissaries when available, and to prices paid for goods shipped to the post at the time of assignment.

When all prices and necessary adjustments have been taken into consideration, any post allowance that is paid represents the amount necessary to enable the employee at the post to purchase with his salary and allowance goods and services equivalent to those he could purchase in Washington with his salary alone.

At approximately two-thirds of the posts in foreign areas, costs do not warrant post allowances.

The cost of living is surveyed at each foreign post at least annually, and rates are adjusted as indicated by the survey.

2. The bill continues for all agencies authority to pay a transfer allowance upon an employee's assignment to duty at any post in a foreign area and at a post in the United States between foreign assignments (sec. 221).

The transfer allowance is intended to reimburse partially an employee for the additional expense incurred because of the necessity for changing types of clothing, providing insurance on shipments of household goods, and replacing furniture and household equipment as necessary because of transfer to a new environment.

Transfer allowance payments range in size up to \$175, depending upon the size of the employee's family and the climatic zone to which an employee is transferred. At present, no payment is authorized for transfers which do not involve a change in climatic zone. Approximately two-thirds of all transfers fall in this nonpayment category.

A variation of the transfer allowance is payable upon transfer to a post in the continental United States between assignments to posts abroad. This allowance is referred to as the "home service transfer allowance."

3. The bill adds for all agencies the authority to pay the existing separate-maintenance allowance whenever the family must be main-

tained away from the post of assignment but remains within the country of assignment (sec. 221).

The separate-maintenance allowance is intended to assist an employee who is compelled—because of adverse living conditions at his post of assignment or for the convenience of the Government—to meet the additional expense of maintaining, elsewhere than at his post of assignment, his wife or his dependents, or both.

This provision of the bill consolidates, with one important change, the existing authority for Government agencies to pay separate maintenance allowances.

Existing law authorizes payment of the separate maintenance allowance when the family must be maintained elsewhere than in the country of assignment. This bill would change the word “country” to “post.” This change would permit payment of the separate-maintenance allowance when it is essential that the employee maintain his family away from his post of assignment, although not necessarily outside the country of assignment.

It is understood that this allowance would be rarely paid, since the conditions at a post compelling family separation and warranting an extra allowance payment seldom occur. When such conditions do occur, this allowance is extremely important if the employee is not to bear a heavy financial burden through no fault of his own.

The improvement that will be made by changing the word “country” to “post” is best illustrated by a large country such as India. Riots and strife could occur in Bombay, while Delhi would be extremely safe. With the revised wording of the law, it would not be necessary for the employee to send his family to another country for safety; he could send them to another post in the same country and retain his eligibility for the allowance.

4. The bill continues present authority for all agencies to provide an allowance to cover additional costs of securing adequate education of dependents (sec. 221).

Education allowances are granted only at those posts where the costs of adequate schooling in grades 1 through 12 are in excess of the costs that would be incurred for a child in a U.S. public school.

If adequate schools are available at the post, no allowance is established for a school away from the post.

If no adequate school exists at a post, an allowance rate is established that is based on the costs of attending the nearest and least expensive adequate school.

If a U.S. Military Dependents' School is available at a post, no education allowance is paid for a child to attend any other school in a foreign country, unless special circumstances of illness or distance prevent attendance.

5. The bill extends to non-foreign-affairs agencies authority to pay the travel expenses of dependents who are transported to and from the United States to obtain a secondary or undergraduate college education, not to exceed one trip each way for each dependent (sec. 221).

Payment of a child's travel expenses to the United States is authorized for the purpose of securing secondary schooling or college education. The travel may not exceed one trip each way for each child for the purpose of obtaining each type of education.

The first trip for obtaining a secondary or college education must originate outside the continental limits of the United States.

The child must have been abroad continuously not less than 45 days prior to the date he will commence travel to the United States. This 45-day requirement is not applicable when the child's transportation abroad within the 45-day period was not at Government expense.

Under existing law, foreign affairs agencies provide three choices to employees having high-school-age dependents:

(a) A child of high-school age may be entered in a secondary school in a foreign area and receive the applicable allowance; or

(b) The child may be sent to the United States for secondary education without entitlement to the allowance following his arrival; or

(c) The child may be sent to the United States for secondary education without the cost of the trip being paid for by the Government, but the employee would be entitled to the regularly prescribed allowance.

This provision of the bill consolidates the travel-payment authority granted under existing law and extends such travel-payment authority to those agencies not authorized to make such payments at the present time.

Extension to non-foreign-affairs agencies of the authority to pay costs of transporting employees' dependents to and from the United States to obtain an American secondary or undergraduate college education would remove an inequity in the treatment of employees serving at the same posts in foreign areas.

Existing law governing travel-payment expenses for the foreign affairs agencies differs slightly from the language of this act as passed by the House. Present authority to transport dependents for secondary and college education employs the phrase "travel expenses," authorizing the usual expenses of transportation, per diem, and related costs.

H.R. 7758 as it passed the House uses the phrase "the cost of transporting dependents," which would prevent payment of more than the actual air or ship fare.

Accordingly, the committee recommends that the bill be amended by the restoration of the phrase "travel expenses."

6. The bill adds for all agencies authority to pay education allowances on behalf of dependents who were transported to the United States for educational purposes, provided that such allowances are not paid during the 12 months following the dependents' arrival in the United States (sec. 221).

The language of this bill limits the prohibition on payment of allowances when transportation to the United States is authorized for secondary education purposes to the 12 months following arrival in the United States.

Present statutory language has been interpreted to prevent the authorization of educational travel for a child on whose behalf an education allowance was granted, for example, in the first year of secondary school even though the parent has been transferred to another post at which secondary education is not available.

This change in language is intended only to provide needed flexibility without changing the basic principle that education allowances will not be available to a parent whose child has been transported to the United States at Government expense for the purpose of securing secondary education and continues to be educated in the United States.

The flexibility afforded by the language of this bill meets the needs that have developed after 5 years of experience with the educational benefit program. For example, employees who transfer to posts where local secondary schools are inadequate will be able, under the new authority, to send their children back to the States to school under the education travel grant although an education allowance had been received on behalf of the child in prior secondary school years. Conversely, a parent who sends his child to the United States under a travel grant to obtain a secondary education can receive an education allowance at a later date if he brings the child overseas again to continue secondary schooling. The allowance will not be available to the parent on behalf of a child in secondary grades who remains in school in the United States after being transported there under the travel grant to obtain a secondary education.

7. The bill adds for all agencies authority to pay travel expenses of a child to the school where secondary or undergraduate college education is to be obtained, rather than only to the nearest port of entry (sec. 221).

The language of the bill permits travel to the school or college which the dependent is to enter rather than only to the nearest port of entry as is presently the case.

Authority to transport dependents to schools and colleges to be attended rather than just to the nearest U.S. port of entry permits granting an educational travel benefit in full and affords equal treatment to all employees. For example, employees who are assigned to posts in Europe and who send dependents to Eastern schools and colleges are now in a more favorable position than the employees in the same areas who choose educational institutions in the West. The new language places all employees on the same basis.

8. The bill adds for all agencies authority to pay expenses of travel, for the purpose of obtaining undergraduate college education only, by dependents of employees who are citizens of the United States stationed in the Canal Zone (sec. 221).

This provision authorizes the payment of travel expenses, under regulations to be prescribed by the President, for the purpose of obtaining undergraduate college education only, for dependents of employees who are citizens of the United States stationed in the Canal Zone.

The provision waives section 111(6) of the bill which defines the term "foreign area" as excluding the Canal Zone.

Making the allowances for travel to obtain undergraduate college education available to dependents in the Canal Zone is a logical extension of this benefit. Undergraduate college facilities in the Canal Zone are not offered beyond the first 2 years. Those employees who plan a 4-year college program for their children want them to spend the entire 4-year period in one institution.

III. POST DIFFERENTIAL

1. The bill continues for all agencies authority to pay a post differential not to exceed 25 percent of basic compensation, based on adverse conditions of environment which warrant additional compensation as a recruitment and retention incentive (sec. 231).

The purpose of the post differential is to compensate employees for undesirable conditions of environment which exist at some posts of assignment in foreign areas. These undesirable conditions may take the form of physical hardships, hazards to health, and difficult conditions of living generally.

The post differential is intended to serve as an incentive in the recruitment and retention of personnel to be employed at the more undesirable locations. It is authorized only for those posts at which the degree of hardship is in excess of that which employees are expected to undergo as part of the sacrifice necessarily involved in overseas service.

More than one-half of the posts in foreign areas have no post differential. A large number of posts having a considerable degree of hardship do not receive post differential.

The post differential is subject to tax as a part of gross income. Other allowances are not taxable.

The existing limitation is retained on the amount of post differential which may be paid by providing that additional compensation paid as post differential shall not exceed, in any instance, 25 percent of the rate of basic compensation.

The post differential program is seen as representing a fair and equitable way of rewarding those employees who accept undesirable posts of assignment for long periods.

The language of H.R. 7758 specifically includes Ambassadors as employees who are eligible for various allowances in the bill, including the post differential. At present, chiefs of mission receive all applicable allowances but do not receive the post differential. The authority provided in the bill to pay post differential to Ambassadors is permissive. It is understood that the Department of State does not plan to make such payments at this time.

IV. STORAGE

1. The bill extends to non-foreign-affairs agencies authority to pay storage expenses for household effects under certain circumstances (sec. 301).

The bill provides for the storage of an employee's household goods and personal effects when the employee is assigned to a post outside the continental United States to which he cannot take, or at which he is unable to use, his household goods and personal effects. It would permit the head of the department concerned to authorize the storage of household goods and effects in the public interests for reasons of economy.

H.R. 7758 provides the basis for the extension to all departments and agencies of authority for payment of the costs of storage of furniture and household and personal effects of employees assigned to foreign posts, and of certain related expenses, which is comparable to the

authority for payment of such expenses now contained in section 911 of the Foreign Service Act of 1946, with respect to certain other agencies.

The measure provides a specific weight limitation to the effect that in no instance shall the weight or volume or weight of the articles transported, under authority of such paragraph, exceed the maximum weight and volume limitations fixed by regulations, when not otherwise fixed by law.

The bill authorizes storage, for periods not to exceed 3 months, of household effects of a Foreign Service officer or employee who is being separated. This would allow a period of time for the employee to select a permanent residence.

V. SHIPMENT OF HOUSEHOLD EFFECTS (SEC. 301)

The bill would eliminate the 8,750-pound maximum limitation on crated shipments of household effects of non-foreign-affairs agency employees. The net-weight maximum allowance of 7,000 pounds would be retained.

The necessary packing and crating for oversea shipment of household effects increases the gross weight of such shipments by an average of approximately 90 percent. This has the effect of reducing the maximum net weight limitation on a shipment of household effects consigned overseas to an average of something under 4,000 pounds.

The result of the gross-weight limitation is that employees are automatically restricted to a figure which, exclusive of packing and crating material, is considerably lower than was intended. In quite a few cases, employees shipping household effects well within the uncrated limit of 7,000 pounds have been forced to pay overweight shipment charges running to several hundred dollars.

VI. OFFICIAL RESIDENCE EXPENSE

The bill extends to non-foreign-affairs agencies authority to pay the costs of unusual housekeeping expenses for the principal representatives at a post (sec. 311).

The official residence allotment is a partial reimbursement for the extra housekeeping costs due to a principal representative's position which requires the maintenance of a household more extensive than necessary for an officer at the post in a lesser capacity.

The amount of the allotment is based upon the normal living pattern of senior officers at a post, the difference between these normal housekeeping expenses and the costs the principal representatives are required to bear, and the size and condition of the official residence at the post.

The principal representatives and, at times, other senior officials of the United States who are stationed at foreign posts are compelled, in the best interests of their Government, to maintain residences of a type which would not be necessary except for the positions of conspicuous responsibility which they occupy at their foreign posts.

The committee has received assurance that the Department of State has been, and will remain, the principal user of the authority to pro-

vide this allotment. However, other departments and agencies on occasion are expected to have need to use this authority.

It is intended that this authority will continue to be used very sparingly and that its use for other than chief representatives of the United States at foreign posts will be strictly limited to unusual circumstances involving actual necessity.

Reimbursement is not permitted to any individual for the ordinary household expenses which he would incur in any case. This authority is intended to extend only to the additional expenses necessarily incurred by chief representatives and senior officials of the Government in maintaining residences which are larger and more elaborate than otherwise would be required.

Extension of the authority to pay unusual expenses in connection with the operation of official residences is expected to add relatively few officials to the limited number now authorized to receive such payments. Some agencies represented overseas will have no officers in this category.

The State Department as the principal current user of this authority makes official residence allotments to 1 principal officer at each post, and makes in addition allotments to about 20 other top officers such as the deputy chiefs of mission at the largest posts.

VII. PRIVATELY OWNED MOTOR VEHICLES

The bill extends to non-foreign-affairs agencies authority to ship privately owned motor vehicles under certain circumstances (sec. 321).

H.R. 7758 would authorize the shipment of employees' vehicles by Government transportation or commercial means when the transportation is considered by the head of the agency to be in the interest of the Government for the employees to have the use of the motor vehicle at his post of duty.

It would authorize the transportation of a replacement vehicle after 4 years or earlier if a replacement vehicle is determined to be necessary by the head of the agency.

Assurances have been given that this authority for the transportation of privately owned motor vehicles would be strictly administered to insure that such transportation will be authorized only where it is clear that the use of an employee's motor vehicle will contribute to effectiveness in the performance of official duties, is desirable and suitable under local conditions, is in the interest of the Government, and is not solely for the personal convenience of the employee.

The agencies concerned state that the automobile shipment allowance will be austere administered. For example, it is not contemplated that automobiles will be shipped to any U.S. employees stationed in Europe. The reason for this is that European automobiles, which are available to U.S. employees, are usually entirely adequate. Furthermore, the larger U.S. cars are not suitable to many narrow European roads and, because of their size, they tend to have a poor psychological effect upon Europeans who see Americans driving them.

In other countries, where domestic cars are not available, however, the authority for this allowance is seen as essential, so that employees who need cars as part of their jobs will have them.

VIII. LEAVE

1. The bill extends to foreign affairs agencies authority for a maximum of 45 days of annual leave accumulation by employees stationed abroad (sec. 401).

Existing law provides for the accumulation of a maximum of 30 days of annual leave for employees of the foreign affairs agencies abroad. Employees of all other agencies may accumulate 45 days. This bill would equalize for all the annual leave accumulation at 45 days, thus removing an inequity.

2. The bill extends to non-foreign-affairs agencies home-leave privileges for employees after 24 months of service abroad (sec. 401).

Existing law provides that employees abroad of non-foreign-affairs agencies shall accrue annual leave on the same basis as is provided for employees in the States. Employees abroad use much of this leave locally for personal business and recreation, so that frequently insufficient leave is available to permit trips home. Periodic vacations in the States are seen as desirable for all U.S. citizen employees.

The home-leave provision allows additional leave for this purpose. The home leave would be granted at a rate not to exceed 1 week for each 4 months of service. It is separate and apart from annual and sick leave. Home leave would be granted only to officers and employees who have completed at least 24 months of continuous service outside the United States. The home-leave provision of this bill is a permissive provision that would be used only to the extent determined to be indicated by conditions of employment in particular overseas areas.

IX. EXEMPTION FROM INCOME TAX

The bill continues for all agencies exemption of allowances (but not differential) from income tax (sec. 523).

Existing law and rulings of the Internal Revenue Service provide that amounts received as cost-of-living allowances are not includible in gross income. These allowances are not considered as part of basic compensation for tax purposes.

Amounts received as salary differential to offset conditions of environment (not living costs) are considered by existing revenue rulings to be a part of compensation and hence taxable.

This bill makes a number of technical amendments to the Internal Revenue Code of 1954 which are necessary in order to conform it to the changes in legal authorities made by this bill.

AMENDMENTS

The committee recommends amendment of two provisions of H.R. 7758.

The first of these provisions as passed by the House extends to non-foreign-affairs agencies authority to make advance payment of all allowances. It stipulates that these advances of funds, not covered by allowances accrued, will be recoverable by the Government through setoff against salary or other amount due from the Government.

The House language with regard to this recoverability contains no waiver authority, so that in all cases any advance not later earned must be recovered.

In order to prevent hardship upon the employee when the nonrecoverability is not the fault of the employee, the committee recommends amendment of the bill by the addition of the following language to the end of section 202:

The head of the Government agency concerned may, in accordance with regulations of the President, waive in whole or in part any right of recovery under this section, if it is shown that such recovery would be against equity and good conscience or against the public interest.

The second of these provisions, as passed by the House, extends to non-foreign-affairs agencies "the cost of transporting dependents" to and from the United States to obtain secondary or undergraduate college education. Present authority, extending this benefit to foreign affairs agencies (sec. 911(9) of the Foreign Service Act), uses the phrase "travel expenses."

The Foreign Service Act language encompasses the usual expenses of traveling, including transportation costs, per diem, and related costs.

The language of H.R. 7758, as passed by the House, precludes the payment of more than the ship or airline fare.

The committee recommends amendment of this provision by adopting the language of the Foreign Service Act.

The following change in the language of section 211 accomplishes this amendment (new language in *italic*; old language in black brackets):

Section 221

(4) An education allowance or payment of **[transportation]** *travel* costs to assist an employee with the extraordinary and necessary expenses not otherwise compensated for, incurred by reason of his service in any foreign area or foreign areas in providing adequate education for his dependents, as follows:

* * * * *

(B) The **[cost of transporting]** *travel expenses* of dependents of an employee to and from a school in the United States to obtain an American secondary or undergraduate college education, not to exceed one trip each way for each dependent for the purpose of obtaining each type of education; but no allowance payments under subparagraph (A) of this paragraph (4) shall be made for any dependent during the twelve months following his arrival in the United States for secondary education pursuant to authority contained in this subparagraph (B). Notwithstanding section 111(6) of this Act, **[transportation,]** *travel expenses*, for the purpose of obtain-

ing undergraduate college education, may be authorized under this subparagraph (B), under such regulations as the President may prescribe, for dependents of employees who are citizens of the United States stationed in the Canal Zone.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman) :

ADMINISTRATIVE EXPENSES ACT OF 1946

AN ACT To authorize certain administrative expenses in the Government service, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) under such regulations as the President may prescribe, any civilian officer or employee of the Government who, in the interest of the Government, is transferred from one official station to another, including transfer from one department to another, for permanent duty, shall, except as otherwise provided herein, when authorized or approved by such subordinate official or officials of the department concerned as the head thereof may designate for the purpose, be allowed and paid from Government funds the expenses of travel of himself and the expenses of transportation of his immediate family (or a commutation thereof in accordance with the Act of February 14, 1931) and the expenses of transportation, packing, crating, temporary storage, drayage, and unpacking of his household goods and personal effects (not to exceed seven thousand pounds [if uncrated or eight thousand seven hundred and fifty pounds if crated or the equivalent thereof when transportation charges are based on cubic measurement] *net weight*) : *Provided*, That advances of funds may be made to the officer or employee in accordance with said regulations under the same safeguards as are required under the Subsistence Expense Act of 1926 (5 U.S.C. 828) : *Provided further*, That the allowances herein authorized shall not be applicable to officers and employees transferred in accordance with the provisions of the Foreign Service Act of 1946 : *Provided further*, That no part of such expenses (including those of officers and employees of the Foreign Service, Department of State) shall be allowed or paid from Government funds where the transfer is made primarily for the convenience or benefit of the officer or employee or at his request : *Provided further*, That in case of transfer from one department to another such expenses shall be payable from the funds of the department to which the officer or employee is transferred : *And provided further*, That expenses of travel and transportation in connection with the transfer of officers and employees to posts of

duty outside the continental limits of the United States and return therefrom shall be allowed to the same extent and subject to the same limitations prescribed for new appointees under section 7 of this Act.

(b) In lieu of the payment of actual expenses of transportation, packing, crating, temporary storage, drayage, and unpacking of household goods and personal effects, in the case of such transfers between points in continental United States, reimbursement shall be made to the officer or employee on a commuted basis (not to exceed the amount which would be allowable for the authorized weight allowance) at such rates per one hundred pounds as may be fixed by zones in regulations prescribed by the President. Under such regulations as the President may prescribe, any civilian officer or employee who transports a house trailer or mobile dwelling within the continental United States, within Alaska, or between the continental United States and Alaska, for use as a residence and who would otherwise be entitled to transportation of household goods and personal effects under subsection (a) shall be entitled to a reasonable allowance, not to exceed 20 cents per mile, in lieu of such transportation.

(c) Funds available for travel expenses of civilian officers and employees shall also be available for the expenses of the transportation of their immediate families, and funds available for the transportation of things shall also be available for the transportation of household goods and effects, as authorized by this Act.

(d) When civilian officers and employees of the United States are on duty at places designated by the heads of their respective departments or agencies as within zones from which their immediate families should be evacuated for military or other reasons which create imminent danger to life or property, or adverse living conditions seriously affecting the health, safety, or accommodations of said families, or upon transfer or assignment to duty of such civilian officers and employees to places where their immediate families are not, for the aforesaid reasons, permitted to accompany them, their immediate families and household goods may be transported at Government expense, under such regulations as the heads of their respective departments and agencies may prescribe, to such location as may be designated by the civilian officer or employee concerned or by the immediate families of such officers and employees when circumstances prevent the officers and employees from designating such locations or when it is administratively impracticable to determine the intent of the officers or employees in this respect: *Provided*, That if such location designated by either the officers or employees or their immediate families is within an area to which such movement is prohibited for the aforesaid reasons, an alternate location may be designated by either the officers or employees concerned or their immediate families: *And provided further*, That such immediate families and household goods may later be transported at Government expense from the designated location or alternate location authorized in this subsection to a duty station to which the officers or employees concerned are assigned, and to which the above restrictions do not apply.

(e) *Whenever any civilian officer or employee (including any new appointee in accordance with section 7 of this Act) is assigned to a permanent duty station outside the continental United States to which he cannot take or at which he is unable to use his household goods and personal effects or whenever the head of the department concerned au-*

thorizes storage of any such property in the public interest or for reasons of economy, storage expenses (including related transportation and other expenses) may be allowed such officer or employee in accordance with regulations prescribed by the President; but in no instance shall the weight of the property stored under this subsection, together with the weight of property transported under subsection (a), exceed the maximum weight limitation provided by subsection (a).

(f) Under such regulations as the President may prescribe, the privately owned motor vehicle of any employee (including any new appointee, in accordance with section 7 of this Act) assigned to a post of duty outside the continental United States on other than temporary duty orders may be transported to, from, and between the continental United States and such post of duty, or between posts of duty outside the continental United States, whenever it is determined by the head of the department concerned to be in the interest of the Government for such employee to have the use of a motor vehicle at his post of duty. Not more than one motor vehicle of any employee may be transported under authority of this subsection during any four-year period, except that, as a replacement for such motor vehicle, one additional motor vehicle of any employee may be so transported during such period upon approval, in advance, by the head of the department concerned and upon a determination, in advance, by such department head that such replacement is necessary for reasons beyond the control of the employee and is in the interest of the Government. After the expiration of a period of four years following the date of transportation under authority of this subsection of a privately owned motor vehicle of any employee who has remained in continuous service outside the continental United States during such period, the transportation of a replacement for such motor vehicle for such employee may be authorized, in accordance with this subsection, by the head of the department concerned. The head of each department may, in accordance with this subsection, authorize the transportation of privately owned motor vehicles of employees of such department, assigned to duty outside the continental United States, by commercial means if available at reasonable rates and under reasonable conditions or by Government means on a space-available basis. This subsection shall not apply to the Foreign Service of the United States under the Department of State and to the Central Intelligence Agency but shall not affect the authority contained in section 913 of the Foreign Service Act of 1946 (60 Stat. 1027; 22 U.S.C. 1138) or paragraph (4) of section 4 of the Central Intelligence Agency Act of 1949 (63 Stat. 210, 72 Stat. 337; 50 U.S.C. 403e (a) (4)).

SEC. 2. * * *.

(Executed and obsolete.)

SEC. 3. * * *.

(Repealed and obsolete.)

SEC. 4. * * *.

(Executed.)

SEC. 5. Persons in the Government service employed intermittently as consultants or experts and receiving compensation on a per diem when actually employed basis may be allowed travel expenses while away from their homes or regular places of business, including per diem in lieu of subsistence while at place of such employment, in accordance with the Standardized Government Travel Regulations, Subsistence Expense Act of 1926, as amended (5 U.S.C. 821-833), and the Act of February 14, 1931, as amended by this Act, and per-

sons serving without compensation or at \$1 per annum may be allowed, while away from their homes or regular places of business, transportation in accordance with said regulations and said Act of February 14, 1931, as so amended, and not to exceed \$15 per diem within the limits of the continental United States and beyond such limits, not to exceed the rates of per diem established by the Director of the Bureau of the Budget pursuant to section 3 of the Travel Expense Act of 1949, as amended (5 U.S.C. 836) in lieu of subsistence en route and at place of such service or employment unless a higher rate is specifically provided in an appropriation or other Act: *And provided further*, That where due to the unusual circumstances of a travel assignment within the limits of the continental United States such maximum per diem allowance would be much less than the amount required to meet the actual and necessary expenses of the trip, the heads of departments and establishments may, in accordance with regulations promulgated by the Director, Bureau of the Budget, pursuant to section 7 of the Travel Expense Act of 1949 as amended (5 U.S.C. 840) prescribe conditions under which reimbursement for such expenses may be authorized on an actual expense basis not to exceed a maximum amount to be specified in the travel authorization, but in any event not to exceed \$25 for each day in travel status.

SEC. 6. Section 10 of the Act of March 3, 1933 (5 U.S.C. 73b), is hereby amended to read as follows:

"SEC. 10. Whenever by or under authority of law actual expenses for transportation may be allowed, such allowances shall not exceed the lowest first-class rate by the transportation facility used in such transportation unless it is certified, in accordance with regulations prescribed by the President, that lowest first-class accommodations are not available or that use of a compartment or such other accommodations as may be authorized or approved by the head of the agency concerned or such subordinates as he may designate, is required for purposes of security."

SEC. 7. (a) Appropriations for the departments shall be available, in accordance with regulations prescribed by the President, for expenses of travel of new appointees, expenses of transportation of their immediate families and expenses of transportation of their household goods and personal effects from places of actual residence at time of appointment to places of employment outside continental United States, and for such expenses on return to employees from their posts of duty outside continental United States to the places of their actual residence at time of assignment to duty outside the United States: *Provided*, That such expenses of travel and transportation to posts of duty outside the continental United States shall not be allowed unless and until the person selected for appointment shall agree in writing to remain in the Government service for twelve months following his appointment, unless separated for reasons beyond his control and acceptable to the department or agency concerned and in case of violation of such agreement any moneys expended by the United States on account of such travel and transportation shall be recoverable from the individual concerned as a debt due the United States: *And provided further*, That expenses of return travel and transportation upon separation from the service shall be allowed whether such separation is for the purposes of the Government or for personal convenience, but shall not be allowed unless such persons selected

for appointment outside the continental United States shall have served for a minimum period of not less than one nor more than three years prescribed in advance by the head of the department or agency concerned or unless separation is for reasons beyond the control of the individual and acceptable to the department or agency concerned: *Provided further*, That expenses of round trip travel of employee and transportation of immediate family but excluding household effects, from their posts of duty outside the continental United States to the places of actual residence at time of appointment or transfer to such overseas posts of duty, shall be allowed in the case of persons who have satisfactorily completed an agreed period of service overseas and are returning to their actual place of residence for the purpose of taking leave prior to serving another tour of duty at the same or some other overseas post, under a new written agreement entered into before departing from the overseas post: *Provided further*, Any officer or employee of the United States appointed by the President, by and with the advice and consent of the Senate, to serve for a term fixed by law, whose post of duty is outside the continental United States, shall be allowed expenses of round trip travel for himself and transportation of his immediate family, but excluding household effects, from his post of duty outside the continental United States to the place of his actual residence at the time of his appointment to such overseas post of duty, at the end of each two years of satisfactory service completed overseas, if he is returning to his actual place of residence for the purpose of taking leave prior to serving at least two more years of overseas duty: *Provided further*, That expenses of transportation of the immediate family and shipment of household effects of any employee from the post of duty of such employee outside continental United States to place of actual residence shall be allowed, not in excess of one time, prior to the return of such employee to the United States, including its Territories and possessions, when the employee has acquired eligibility for such transportation or when the public interest requires the return of the immediate family for compelling personal reasons of a humanitarian or compassionate nature, such as may involve physical or mental health, death of any member of the immediate family, or obligation imposed by authority or circumstances over which the individual has no control: *And provided further*, That when an employee returns his immediate family and household goods to the United States, including its Territories and possessions, at his own expense prior to his return and for other than reasons of public interest, the Government shall reimburse him for proper transportation expenses at such time as he acquires eligibility therefor.

(b) Appropriations for the departments shall be available in accordance with regulations prescribed by the President, for expenses of travel of persons appointed to positions in the natural and mathematical sciences, engineering, and architectural fields, and to related technical positions in the continental United States and Alaska for which there is determined by the Civil Service Commission to be a manpower shortage in those skills which are critical to the national security effort, and for expenses of transportation of their immediate families and their household goods and personal effects and for advances of funds to the extent authorized by section 1(a) and (b) of this Act, from their places of actual residence at time of selection to their first duty station. Such travel expenses may include per diem

and mileage allowance for persons selected for appointment as provided for civilian officers and employees by the Travel Expense Act of 1949, as amended. Travel and transportation expenses may be allowed whether the person selected for appointment has been appointed or not at the time of such travel. However, the travel and transportation expenses authorized by this subsection shall not be allowed unless the person selected for appointment shall agree in writing to remain in the Government service for twelve months following his appointment unless separated for reasons beyond his control and acceptable to the department or agency concerned. In case of violation of such agreement, any moneys expended by the United States on account of such travel and transportation shall be recoverable from the individual concerned as a debt due the United States.

(c) The authority of the Civil Service Commission to determine for purposes of this Act positions for which there is a manpower shortage shall not be delegated. The provisions of subsections (b) and (c) of section 7 of this Act shall expire two years from the date of their enactment into law.

(d) Nothing contained in this section shall impair or otherwise affect the authority of any department under existing law to pay travel and transportation expenses of persons designated in subsection (b) and (c) hereof.

SEC. 8. * * *

(Obsolete.)

SEC. 9. (a) Section 3709 of the Revised Statutes of the United States is hereby amended to read as follows:

"Unless otherwise provided in the appropriation concerned or other law, purchases and contracts for supplies or services for the Government may be made or entered into only after advertising a sufficient time previously for proposals, except (1) when the amount involved in any one case does not exceed \$2,500, (2) when the public exigencies require the immediate delivery of the articles or performance of the service, (3) when only one source of supply is available and the Government purchasing or contracting officer shall so certify, or (4) when the services are required to be performed by the contractor in person and are (A) of a technical and professional nature or (B) under Government supervision and paid for on a time basis. Except (1) as authorized by section 29 of the Surplus Property Act of 1944 (50 U.S.C. App. 1638), (2) when otherwise authorized by law, or (3) when the reasonable value involved in any one case does not exceed \$500, sales and contracts of sale by the Government shall be governed by the requirements of this section for advertising."

(b) Exemptions from section 3709, Revised Statutes, in other law in amounts of \$100 or less are hereby repealed.

(c) In the case of wholly owned Government corporations, this section shall apply to their administrative transactions only.

SEC. 10. Whenever a department is authorized by law to hold hearings and to subpoena witnesses for appearance at said hearings, witnesses summoned to and attending such hearings shall be entitled to the same fees and mileage, or expenses in the case of Government officers and employees, as provided by law for witnesses attending in the United States courts.

SEC. 11. The first sentence of section 3648 of the Revised Statutes (31 U.S.C. 529) is hereby amended to read as follows:

"No advance of public money shall be made in any case unless authorized by the appropriation concerned or other law."

SEC. 12. The head of any department may delegate to subordinate officials (1) the power vested in him by law to take final action on matters pertaining to the employment, direction, and general administration of personnel under his department; (2) the authority vested in him by section 3683 of the Revised Statutes (31 U.S.C. 675) to direct the purchase of articles from contingent funds; and (3) the authority vested in him by section 3828, Revised Statutes (44 U.S.C. 324), to authorize the publication of advertisements, notices or proposals.

SEC. 13. Appropriations available for the procurement of supplies and material or equipment shall be available for the purchase and maintenance of special clothing and equipment for the protection of personnel in the performance of their assigned tasks.

SEC. 14. * * *

(Repealed.)

SEC. 15. The head of any department, when authorized in an appropriation or other Act, may procure the temporary (not in excess of one year) or intermittent services of experts or consultants or organizations thereof, including stenographic reporting services, by contract, and in such cases such service shall be without regard to the civil-service and classification laws (but as to agencies subject to the Classification Act at rates not in excess of the per diem equivalent of the highest rate payable under the Classification Act, unless other rates are specifically provided in the appropriation or other law) and, except in the case of stenographic reporting services by organizations, without regard to section 3709, Revised Statutes, as amended by this Act.

SEC. 16. (a) Section 5 of the Act of July 16, 1914 (5 U.S.C. 78), is amended to read as follows:

"SEC. 5. (a) Unless specifically authorized by the appropriation concerned or other law, no appropriation shall be expended to purchase or hire passenger motor vehicles for any branch of the Government other than those for the use of the President of the United States, the secretaries to the President, or the heads of the executive departments enumerated in 5 U.S.C. 1.

"(b) Excepting appropriations for the Military and Naval Establishments, no appropriation shall be available for the purchase, maintenance, or operation of any aircraft unless specific authority for the purchase, maintenance, or operation thereof has been or is provided in such appropriation.

"(c) Unless otherwise specifically provided, no appropriation available for any department shall be expended—

"(1) to purchase any passenger motor vehicle (exclusive of busses, ambulances, and station wagons), at a cost, completely equipped for operation, and including the value of any vehicle exchanged, in excess of the maximum price therefor, if any, established pursuant to law by a Government agency and in no event more than such amount as may be specified in an appropriation or other Act, which shall be in addition to the amount required for transportation;

“(2) for the maintenance, operation, and repair of any Government-owned passenger motor vehicle or aircraft not used exclusively for official purposes; and ‘official purposes’ shall not include the transportation of officers and employees between their domiciles and places of employment, except in cases of medical officers on out-patient medical service and except in cases of officers and employees engaged in field work the character of whose duties makes such transportation necessary and then only as to such latter cases when the same is approved by the head of the department concerned. Any officer or employee of the Government who willfully uses or authorizes the use of any Government-owned passenger motor vehicle or aircraft, or of any passenger motor vehicle or aircraft leased by the Government, for other than official purposes or otherwise violates the provisions of this paragraph shall be suspended from duty by the head of the department concerned, without compensation, for not less than one month, and shall be suspended for a longer period or summarily removed from office if circumstances warrant. The limitations of this paragraph shall not apply to any motor vehicles or aircraft for official use of the President, the heads of the executive departments enumerated in 5 U.S.C. 1, ambassadors, ministers, chargés d’affaires, and other principal diplomatic and consular officials.

“(d) In the budgets for the fiscal year 1948 and subsequent fiscal years there shall be submitted in detail estimates for such necessary appropriations as are intended to be used for purchase or hire of passenger motor vehicles or for purchase, maintenance, or operation of aircraft, specifying the sums required, the public purposes for which said conveyances are intended, the number of currently owned conveyances to be continued in use, and the officials or employees by whom all of such conveyances are to be used.

“(e) The acquisition of aircraft or passenger motor vehicles by any agency by transfer from another department of the Government shall be considered as a purchase within the meaning hereof.”

(b) * * *

(Executed.)

SEC. 17. (a) * * *

(Executed.)

(b) That portion of the Act of July 31, 1876, (44 U.S.C. 321; 19 Stat. 105), reading as follows: “and in no case of advertisement for contracts for the public service shall the same be published in any newspaper published and printed in the District of Columbia unless the supplies or labor covered by such advertisement are to be furnished or performed in said District of Columbia” is hereby amended by adding at the end thereof “or in the adjoining counties of Maryland or Virginia”.

(c) That portion of the Act of June 23, 1906 (3 U.S.C. 43) reading as follows: “not exceeding \$25,000 per annum” is hereby amended to read, “not exceeding \$40,000 per annum”.

SEC. 18. The word “department” as used in this Act shall be construed to include independent establishments, other agencies, wholly owned Government corporations (the transactions of which corporations shall be subject to the authorizations and limitations of this Act, except that section 9 shall apply to their administrative trans-

actions only), and the government of the District of Columbia, but shall not include the Senate, House of Representatives, or office of the Architect of the Capitol, or the officers or employees thereof. The words "continental United States" as used herein shall be construed to mean the forty-eight States and the District of Columbia. The word "Government" shall be construed to include the government of the District of Columbia. The word "appropriation" shall be construed as including funds made available by legislation under section 104 of the Government Corporation Control Act, approved December 6, 1945.

SEC. 19. Sections 1, 3, 4, 5, 7, 14, and 15 of this Act shall not apply to persons whose pay and allowances are established by the Pay Readjustment Act of 1942.

SEC. 20. Sections 1 and 2 of this Act shall become effective on the first day of the third calendar month following the enactment hereof.

SEC. 21. This Act may be cited as the "Administrative Expenses Act of 1946".

Sec. 22. Under such regulations as the President may prescribe, funds available to the departments for administrative expenses may be allotted to posts in foreign countries for the purpose of defraying the unusual expenses incident to the operation and maintenance of official residences suitable for the chief representatives of the United States at such posts and such other senior officials of this Government in foreign countries as the President may designate.

FOREIGN SERVICE ACT OF 1946

* * * * *

TITLE IV—CATEGORIES AND SALARIES OF PERSONNEL

* * * * *

PART E—CLASSIFICATION

* * * * *

[ADMINISTRATION ESTABLISHMENT OF SALARY DIFFERENTIALS

[SEC. 443. The President may, under such regulations as he may prescribe, establish rates of salary, differential, not exceeding 25 per centum of basic salary, for Foreign Service officers, Reserve officers, and staff officers and employees assigned to posts involving extraordinarily difficult hiring conditions, excessive physical hardship, or notably unhealthful conditions. The Secretary shall prepare and maintain a list of such posts.]

* * * * *

TITLE IX—ALLOWANCES AND BENEFITS

PART A—ALLOWANCES AND SPECIAL ALLOTMENTS

[QUARTERS, COST OF LIVING, AND REPRESENTATION ALLOWANCES

[SEC. 901. In accordance with such regulations as the President may prescribe and notwithstanding the provisions of section 1765

of the Revised Statutes (5 U.S.C. 70), the Secretary is authorized to grant to any officer or employee of the Service who is a citizen of the United States—

[(1) allowances, wherever Government owned or rented quarters are not available, for living quarters, heat, light, fuel, gas and electricity, including allowances for the cost of lodging at temporary quarters, incurred by an officer or employee of the Service and the members of his family upon first arrival at a new post, for a period not in excess of three months after such first arrival or until the occupation of residence quarters, whichever period shall be shorter, up to but not in excess of the aggregate amount of the per diem that would be allowable to such officer or employee for himself and the members of his family for such period if they were in travel status;

[(2) cost-of-living allowances, whenever the Secretary shall determine—

[(i) that the cost of living at a post abroad is proportionately so high that an allowance is necessary to enable an officer or employee of the Service at such post to carry on his work efficiently;

[(ii) that extraordinary and necessary expenses, not otherwise compensated for, are incurred by an officer or employee of the Service incident to the establishment of his residence at any post of assignment abroad or at a post of assignment in the continental United States between assignments to post abroad;

[(iii) that an allowance is necessary to assist an officer or employee of the Service who is compelled by reason of dangerous, notably unhealthful, or excessive adverse living conditions at his post abroad or for the convenience of the Government to meet the additional expense of maintaining his wife and minor children elsewhere than in the country of his assignment;

[(iv) that extraordinary and necessary expenses, not otherwise compensated for, must be incurred by an officer or employee of the Service, by reason of his service abroad, in providing for adequate elementary and secondary education for his dependents; allowances under this subparagraph for any post shall not exceed the cost of obtaining such educational services as are ordinarily provided without charge by the public schools of the United States plus, in those cases where adequate schools are not available at the post, board and room, and periodic transportation between the post and the nearest locality where adequate schools are available; if any such officer or employee employs a less expensive method of providing such education, any allowance paid to him shall be reduced accordingly; no allowance shall be paid under this subparagraph for a dependent for whom a travel allowance has been paid under section 911(9);

[(3) allowances in order to provide for the proper representation of the United States by officers or employees of the Service.]

REPRESENTATION ALLOWANCES

Sec. 901. In accordance with such regulations as the President may prescribe and notwithstanding the provisions of section 1765 of the Revised Statutes (5 U.S.C. 70), the Secretary is authorized to grant to any officer or employee of the Service who is a citizen of the United States allowances in order to provide for the proper representation of the United States by officers or employees of the Service.

【ALLOTMENT FOR OFFICIAL RESIDENCE OF CHIEF AMERICAN REPRESENTATIVE

【SEC. 902. The Secretary may, under such regulations as he may prescribe, make an allotment of funds to any post to defray the unusual expenses incident to the operation and maintenance of official residences suitable for principal representatives of the United States at that post.

【ACCOUNTING FOR ALLOWANCES

【SEC. 903. All such allowances and allotments shall be accounted for to the Secretary in such manner and under such rules and regulations as the President may prescribe. The Secretary shall report all such expenditures annually to the Congress with the budget estimates of the Department.】

* * * * *

PART B—TRAVEL AND RELATED EXPENSES

GENERAL PROVISIONS

SEC. 911. The Secretary may, under such regulations as he shall prescribe, pay—

* * * * *

【(4) the cost of storing the furniture and household and personal effects of an officer or employee of the Service who is absent under orders from his usual post of duty, or who is assigned to a post to which, because of emergency conditions, he cannot take or at which he is unable to use, his furniture and household and personal effects;】

(4) the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Service, when he is absent from his post of assignment under orders, or when he is assigned to a post to which he cannot take or at which he is unable to use such furniture and household and personal effects, or when it is in the public interest or more economical to authorize storage; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law;

【(5) the cost of storing the furniture and household and personal effects of an officer or employee of the Service on first arrival at a post for a period not in excess of three months after such first arrival at such post or until the establishment of residence quarters, whichever shall be shorter;】

(5) the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Service in connection

with assignment or transfer to a new post, from the date of his departure from his last post or from the date of his departure from his place of residence in the case of a new officer or employee and for not to exceed three months after arrival at the new post, or until the establishment of residence quarters, whichever shall be shorter; and, in connection with separation of an officer or employee of the Service, the cost of packing and unpacking, transporting to and from a place of storage, and storing for a period not to exceed three months, his furniture and household and personal effects; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law.

* * * * *

[(9) the travel expenses incurred by an officer or employee of the Service who is assigned to a foreign post, in transporting dependents to and from United States ports of entry designated by the Secretary, to obtain an American secondary or college education, not to exceed one trip each way for each dependent for the purpose of obtaining each type of education.]

* * * * *

TRANSPORTATION OF [AUTOMOBILES] MOTOR VEHICLES

SEC. 913. The Secretary may, notwithstanding the provisions of any other law, transport for or on behalf of an officer or employee of the Service, a privately owned [automobile] *motor vehicle* in any case [where] *in which* he shall determine that water, rail, or air transportation of the [automobile] *motor vehicle* is necessary or expedient for all or any part [or] of [all] the distance between points of origin and destination. *Not more than one motor vehicle of any such officer or employee may be transported under authority of this section during any four-year period, except that, as a replacement for such motor vehicle, one additional motor vehicle of any such officer or employee may be so transported during such period upon approval, in advance, by the Secretary and upon a determination, in advance, by the Secretary that such replacement is necessary for reasons beyond the control of the officer or employee and is in the interest of the Government. After the expiration of a period of four years following the date of transportation under authority of this section of a privately owned motor vehicle of any officer or employee who has remained in continuous service outside the continental United States (excluding Alaska and Hawaii) during such period, the transportation of a replacement for such motor vehicle for such officer or employee may be authorized by the Secretary in accordance with this section.*

CENTRAL INTELLIGENCE AGENCY ACT OF 1949

AN ACT

To provide for the administration of the Central Intelligence Agency, established pursuant to section 102, National Security Act of 1947, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DEFINITIONS

SECTION 1. That when used in this Act, the term—

(a) "Agency" means the Central Intelligence Agency;

(b) "Director" means the Director of Central Intelligence;

(c) "Government agency" means any executive department, commission, council, independent establishment, corporation wholly or partly owned by the United States which is an instrumentality of the United States, board, bureau, division, service, office, officer, authority, administration, or other establishment, in the executive branch of the [Government; and] *Government*.

[(d) "Continental United States" means the States and the District of Columbia.]

* * * * *

TRAVEL, ALLOWANCES, AND RELATED EXPENSES

SEC. 4. [(a)] Under such regulations as the Director may prescribe, the Agency, with respect to its officers and employees assigned to [permanent-duty stations outside the continental United States, its territories, and possessions] *duty stations outside the several States of the United States of America, excluding Alaska and Hawaii, but including the District of Columbia, shall—*

(1)(A) pay the travel expenses of officers and employees of the [Agency including] *Agency, including* expenses incurred while traveling pursuant to [orders issued by the Director in accordance with the provisions of section 5(a)(3) with regard to the granting of] *authorized home leave;*

(B) pay the travel expenses of members of the family of an officer or employee of the Agency when proceeding to or returning from his post of duty; accompanying him on authorized home leave; or otherwise traveling in accordance with authority granted pursuant to the terms of this or any other Act;

(C) pay the cost of transporting the furniture and household and personal effects of an officer or employee of the Agency to his successive posts of duty and, on the termination of his services, to his residence at time of appointment or to a point not more distant, or, upon retirement, to the place where he will reside;

[(D) pay the cost of storing the furniture and household and personal effects of an officer or employee of the Agency who is absent under orders from his usual post of duty, or who is assigned to a post to which, because of emergency conditions, he cannot take or at which he is unable to use, his furniture and household and personal effects;]

(D) pay the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Agency, when he is absent from his post of assignment under orders, or when he is assigned to a post to which he cannot take or at which he is unable to use such furniture and household and personal effects, or when it is in the public interest or more economical to authorize storage; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law;

[(E) pay the cost of storing the furniture and household and personal effects of an officer or employee of the Agency on first arrival at a post for a period not in excess of three months after such first arrival at such post or until the establishment of residence quarters, whichever shall be shorter;]

(E) pay the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Agency in connection with the assignment or transfer to a new post, from the date of his departure from his last post or from the date of his departure from his place of residence in the case of a new officer or employee and for not to exceed three months after arrival at the new post, or until the establishment of residence quarters, whichever shall be shorter; and in connection with separation of an officer or employee of the Agency, the cost of packing and unpacking, transporting to and from a place of storage, and storing for a period not to exceed three months, his furniture and household and personal effects; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law.

* * * * *

[(3)(A) Order to the United States or its Territories and possessions on leave provided for in 5 U.S.C. 30, 30a, 30b, or as such sections may hereafter be amended, every officer and employee of the agency who was a resident of the United States or its Territories and possessions at time of employment, upon completion of two years' continuous service abroad, or as soon as possible thereafter: *Provided*, That such officer or employee has accrued to his credit at the time of such order, annual leave sufficient to carry him in a pay status while in the United States for at least a thirty-day period.]

(3)(A) Order to any of the several States of the United States of America (including the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States) on leave of absence each officer or employee of the Agency who was a resident of the United States (as described above) at time of employment, upon completion of two years' continuous service abroad, or as soon as possible thereafter.

[(B) While in the continental United States on leave, the service of any officer or employee shall not be available for work or duties except in the agency or for training or for reorientation for work; and the time of such work or duty shall not be counted as leave.]

(B) While in the United States (as described in paragraph (3)(A) of this section) on leave, the service of any officer or employee shall be available for work or duties in the Agency or elsewhere as the Director may prescribe; and the time of such work or duty shall not be counted as leave.

[(C) Where an officer or employee on leave returns to the United States or its Territories and possessions, leave of absence granted shall be exclusive of the time actually and necessarily occupied in going to and from the United States or its Territories and possessions, and such time as may be necessarily occupied in awaiting transportation.]

(C) *Where an officer or employee on leave returns to the United States (as described in paragraph (3)(A) of this section), leave of absence granted shall be exclusive of the time actually and necessarily occupied in going to and from the United States (as so described) and such time as may be necessarily occupied in awaiting transportation.*

(4) *Notwithstanding the provisions of any other law, transport for or on behalf of an officer or employee of the Agency, a privately owned [automobile] motor vehicle in any case [where] in which it shall be determined that water, rail, or air transportation of the [automobile] motor vehicle is necessary or expedient for all or any part [or] of [all] the distance between points of origin and destination, and pay the costs of such transportation. Not more than one motor vehicle of any officer or employee of the Agency may be transported under authority of this paragraph during any four-year period, except that, as a replacement for such motor vehicle, one additional motor vehicle of any such officer or employee may be so transported during such period upon approval, in advance, by the Director and upon a determination, in advance, by the Director that such replacement is necessary for reasons beyond the control of the officer or employee and is in the interest of the Government. After the expiration of a period of four years following the date of transportation under authority of this paragraph of a privately owned motor vehicle of any officer or employee who has remained in continuous service outside the several States of the United States of America, excluding Alaska and Hawaii, but including the District of Columbia, during such period, the transportation of a replacement for such motor vehicle for such officer or employee may be authorized by the Director in accordance with this paragraph.*

* * * * *

[(b) In accordance with such regulations as the President may prescribe and notwithstanding the provisions of section 1765 of the Revised Statutes (5 U.S.C. 70), the Director is authorized to grant to any officer or employee of the Agency allowances in accordance with the provisions of section 901(1) and 901(2) of the Foreign Service Act of 1946.]

SECTION 8 OF THE UNITED NATIONS PARTICIPATION ACT OF 1945, AS AMENDED

SEC. 8. There is hereby authorized to be appropriated annually to the Department of State, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for the payment by the United States of its share of the expenses of the United Nations as apportioned by the General Assembly in accordance with article 17 of the Charter, and for all necessary salaries and expenses of the representatives provided for in section 2 hereof, and of their appropriate staffs, including personal services in the District of Columbia and elsewhere, without regard to the civil-service laws and the Classification Act of 1923, as amended;¹ travel expenses without regard to the Standardized Government Travel Regulations, as amended, the

¹ Reference made to the Classification Act of 1923, as amended, is held and considered to mean the Classification Act of 1949 (see § 1106(a) of the Classification Act of 1949, 63 Stat. 972).

Travel Expense Act of 1949, and section 10 of the Act of March 3, 1933, as amended, and, under such rules and regulations as the Secretary of State may prescribe, travel expenses of families and transportation of effects of United States representatives and other personnel in going to and returning from their post of duty; allowances for living quarters, including heat, fuel, and light, as authorized by the Act approved June 26, 1930 (5 U.S.C. 118a); cost-of-living allowances for personnel stationed abroad under such rules and regulations as the Secretary of State may prescribe; communications services; stenographic reporting, translating, and other services, by contract; hire of passenger motor vehicles and other local transportation; rent of offices; printing and binding without regard to section 11 of the Act of March 1, 1919 (44 U.S.C. 111); allowances and expenses as provided in section 6 of the Act of July 30, 1946 (Public Law 565, Seventy-ninth Congress), and allowances and expenses equivalent to those provided in section 901(3) of the Foreign Service Act of 1946 (Public Law 724, Seventy-ninth Congress); the lease or rental (for periods not exceeding ten years) of living quarters for the use of the representative of the United States to the United Nations referred to in paragraph (a) of section 2 hereof, the cost of installation and use of telephones in the same manner as telephone service is provided for use of the Foreign Service pursuant to the Act of August 23, 1912, as amended (31 U.S.C. 679), [and the allotment of funds, similar to the allotment authorized by section 902 of the Foreign Service Act of 1946, for unusual expenses incident to the operation and maintenance of such living quarters, to be accounted for in accordance with section 903 of said Act;] *and unusual expenses similar to those authorized by section 22 of the Administrative Expenses Act of 1946, as amended by section 311 of the Overseas Differentials and Allowances Act, incident to the operation and maintenance of such living quarters*; and such other expenses as may be authorized by the Secretary of State; all without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5).

SECTIONS 202 AND 203 OF THE ANNUAL AND SICK LEAVE ACT OF 1951

COVERAGE AND EXEMPTIONS

SEC. 202. (a) Except as provided in subsection (b), this title shall apply to all civilian officers and employees of the United States and of the government of the District of Columbia, including officers and employees of corporations wholly owned or controlled by the United States.

(b)(1) This title shall not apply to—

(A) teachers and librarians of the public schools of the District of Columbia;

(B) part-time officers and employees (except hourly employees in the field service of the Post Office Department) for whom there has not been established a regular tour of duty during each administrative workweek;

(C) temporary employees engaged on construction work at hourly rates;

(D) employees of the Canal Zone Government and the Panama Canal Company when employed on the Isthmus of Panama;

(E) commissioned officers of the Public Health Service;

(F) commissioned officers of the Coast and Geodetic Survey;

(G) doctors, dentists, and nurses in the Department of Medicine and Surgery of the Veterans' Administration;

(H) officers and employees of the Senate and House of Representatives; and

(I) officers and employees of any corporation under the supervision of the Farm Credit Administration of which corporation any member of the board of directors is elected or appointed by private interests.

(2) This title, except section 203(g), shall not apply to alien employees who occupy positions outside the [several States and the District of Columbia] *United States*.

(3) Section 204 of this title shall not apply to officers and members of the Metropolitan Police and the Fire Department of the District of Columbia.

(c)(1) This title shall not apply to the following officers in the executive branch of the Government and officers of the government of the District of Columbia, including officers of corporations wholly owned or controlled by the United States:

(A) persons appointed by the President by and with the advice and consent of the Senate, or by the President alone, whose rates of basic compensation exceed the maximum rate provided in the General Schedule of the Classification Act of 1949, as amended;

(B) persons who receive compensation in accordance with section 411 of the Foreign Service Act of 1946; and

(C) such other officers (except postmasters, United States attorneys, and United States marshals) as may be designated by the President.

No officer in the executive branch of the Government and no officer of the government of the District of Columbia, including an officer of a corporation wholly owned or controlled by the United States, to whom this title applies shall be deemed to be entitled to the compensation attached to his office solely by virtue of his status as an officer.

(2) The President, in his discretion, may authorize leaves of absence to persons who are exempted from this title pursuant to subsection (c)(1)(B) for use in the United States and its Territories and possessions. Leaves of absence authorized under this subsection shall not constitute a leave system, and no such leave of absence which is not used shall be made the basis for any lump-sum payment.

(d) *As used in this title, the term "United States" means the several States of the United States of America and the District of Columbia.*

ANNUAL LEAVE

SEC. 203. (a) Officers and employees to whom this title applies shall be entitled to annual leave with pay which shall accrue as follows—

(1) one-half day for each full biweekly pay period in the case of officers and employees with less than three years of service,

(2) three-fourths day for each full biweekly pay period (except

that the accrual for the last full biweekly pay period in the year shall be one and one-fourth days) in the case of officers and employees with three but less than fifteen years of service, and

(3) one day for each full biweekly pay period in the case of officers and employees with fifteen years or more of service.

In determining years of service for the purposes of this subsection, there shall be included all service creditable under the provisions of section 5 of the Civil Service Retirement Act of May 29, 1930, as amended, for the purposes of an annuity under such Act and the determination of the period of service rendered may be made upon the basis of an affidavit of the employee. In the case of an officer or employee who is not paid on the basis of biweekly pay periods, the leave provided by this title shall accrue on the same basis as it would accrue if such officer or employee were paid on the basis of biweekly pay periods.

(b) Any change in the rate of accrual of annual leave by an officer or employee under the provisions of this section shall take effect as of the beginning of the pay period following the pay period, or corresponding period in the case of an officer or employee who is not paid on the basis of biweekly pay periods, in which such officer or employee completes the prescribed period of service.

(c) The annual leave provided for in this section, which is not used by an officer or employee, shall accumulate for use in succeeding years until it totals not to exceed thirty days at the beginning of the first complete biweekly pay period, or corresponding period in the case of an officer or employee who is not paid on the basis of biweekly pay periods, occurring in any year.

(d) Notwithstanding the provisions of subsection (c), a maximum accumulation not to exceed forty-five days at the beginning of the first complete biweekly pay period, or corresponding *pay* period in the case of an officer or employee who is not paid on the basis of biweekly pay periods, in any year is authorized **[to]** *for* the following categories of employees of the Federal Government **[, other than officers and employees in the Foreign Service of the United States under the Department of State, stationed outside the several States and the District of Columbia:]** *stationed outside the United States:*

[(1) Persons directly recruited or transferred from the United States by the Federal Government.

[(2) Persons employed locally but (A) who were originally recruited from the United States and have been in substantially continuous employment by other Federal agencies, United States firms, interests, or organizations, international organizations in which the United States Government participates, or foreign governments, and whose conditions of employment provide for their return transportation to the United States, or (B) who were at the time of employment temporarily absent from the United States for purposes of travel or formal study and maintained residence in the United States during such temporary absence.

[(3) Persons who are not normally residents of the area concerned and who are discharged from the military service of the United States to accept employment with an agency of the Federal Government.]

(1) Persons directly recruited or transferred by the Federal Government (A) from the United States, or (B) from the Commonwealth of Puerto

Rico or the possessions of the United States for employment outside the area of recruitment or from which transferred.

(2) *Persons employed locally but (A)(i) who were originally recruited from the United States, or from the Commonwealth of Puerto Rico or the possessions of the United States but outside the area of employment, (ii) who have been in substantially continuous employment by other Federal agencies, United States firms, interests or organizations, international organizations in which the United States Government participates, or foreign governments, and (iii) whose conditions of employment provide for their return transportation to the United States or the Commonwealth of Puerto Rico or the possessions of the United States, or (B)(i) who were at the time of employment temporarily absent, for the purpose of travel or formal study, from the United States, or from their respective places of residence in the Commonwealth of Puerto Rico or the possessions of the United States and (ii) who, during such temporary absence, have maintained residence in the United States or in the Commonwealth of Puerto Rico or the possessions of the United States but outside the area of employment.*

(3) *Persons who are not normally residents of the area concerned and who are discharged from service in the Armed Forces of the United States to accept employment with an agency of the Federal Government.*

[(e) *Where an officer or employee to whom the provisions of subsection (d) are applicable, or who is in the Foreign Service of the United States under the Department of State, and whose post of duty is outside the several States and the District of Columbia returns to any such State or the District of Columbia on leave, the leave granted pursuant to this Act shall be exclusive of the time actually and necessarily occupied in going to and from his post of duty and such time as may be necessarily occupied in awaiting sailing or flight. The provisions of this subsection shall not apply with respect to more than one period of leave in any twenty-four month period.*]

(e) *The leave granted pursuant to this title shall be exclusive of the time actually and necessarily occupied in going to and from the post of duty and exclusive of such time as may be necessarily occupied in awaiting transportation, in the case of an officer or employee (1) who is within the purview of subsection (d) of this section, (2) whose post of duty is outside the United States, and (3) who returns on leave to the United States, or to his place of residence, which is outside the area of employment, in the Commonwealth of Puerto Rico or the possessions of the United States. The provisions of this subsection shall not apply to more than one period of leave in a prescribed tour of duty at a post outside the United States.*

[(f) *Officers and employees in the Foreign Service of the United States under the Department of State may be granted leave of absence, without regard to any other leave provided by this title, for use in the United States, its Territories or possessions, at a rate equivalent to one week for each four months of service outside the several States and the District of Columbia. Such leave may be accumulated for future use without regard to the limitation in subsection (c) but no such leave which is not used shall be made the basis for any terminal leave or lump-sum payment.*]

(f) *Upon completion of twenty-four months of continuous service outside the United States, officers and employees may be granted, in accordance with regulations of the President, leave of absence at a rate*

not to exceed one week for each four months of such service without regard to any other leave provided by this title, for use in the United States, or, if their respective places of residence are outside the area of employment, in the Commonwealth of Puerto Rico or the possessions of the United States. Such leave so granted may be accumulated for future use without regard to the limitation in subsection (d) of this section but no such leave shall be made the basis for any terminal leave or for any lump-sum payment.

(g) Alien employees who occupy positions outside the [several States and the District of Columbia] United States may, in the discretion of the head of the department or agency concerned, be granted leave of absence with pay not in excess of the amount of annual and sick leave allowable under this title in the case of citizen employees.

(h) The annual leave provided for in this section, including such leave as will accrue to any officer or employee during the year, may be granted at any time during such year as the heads of the various departments and independent establishments may prescribe.

(i) Notwithstanding the provisions of subsection (a), an officer or employee shall be entitled to annual leave under this title only after having been employed currently for a continuous period of ninety days under one or more appointments without break in service. In any case in which an officer or employee completes a period of continuous employment of ninety days there shall be credited to him an amount of annual leave equal to the amount which, but for this subsection, would have accrued to him under subsection (a) during such period.

SECTIONS 2, 13, AND 14 OF THE ACT OF AUGUST 1, 1956

SEC. 2. The Secretary of State, when funds are appropriated therefor, may—

(a) provide for printing and binding outside the continental United States without regard to section 11 of the Act of March 1, 1919 (44 U.S.C. 111);

[(b) pay the cost of transportation to and from a place of storage and the cost of storing the furniture and household and personal effects of an employee of the Foreign Service who is assigned to a post at which he is unable to use his furniture and effects, under such regulations as the Secretary may prescribe;]

(c) employ aliens, by contract, for services abroad;

(d) provide for official functions and courtesies;

(e) purchase uniforms; and

(f) pay tort claims, in the manner authorized in the first paragraph of section 2672, as amended, of title 28 of the United States Code when such claims arise in foreign countries in connection with Department of State operations abroad.

* * * * *

[SEC. 13. Allowances granted under section 901(1) of the Foreign Service Act of 1946 (22 U.S.C. 1131(1)), may include water, in addition to the utilities specified.

[SEC. 14. Appropriations now or hereafter made available for allowances granted under the authority in part A of title IX of the Foreign Service Act of 1946, as amended (22 U.S.C. 1131), including an allowance for water as authorized in section 13 of this Act shall be available for the payment of such allowances in advance.]

ACT OF JUNE 26, 1930

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That under such regulations as the heads of the respective departments concerned may prescribe and the President approve, civilian officers and employees of the Government having permanent station in a foreign country may be furnished, without cost to them, living quarters, including heat, fuel, and light, in Government-owned or rented buildings [and, where such quarters are not available, may be granted an allowance for living quarters, including heat, fuel, and light, notwithstanding the provisions of section 1765 of the Revised Statutes (U.S.C., title 5, sec. 70)]: *Provided*, That said rented quarters [or allowances in lieu thereof] may be furnished only within the limits of such appropriations as may be made therefor, which appropriations are hereby authorized: *Provided further*, That the provisions of this Act shall apply only to those civilian officers and employees who are citizens of the United States.

SECTION 912 OF THE INTERNAL REVENUE CODE OF 1954

[SEC. 912. EXEMPTION FOR CERTAIN ALLOWANCES.]

[The following items shall not be included in gross income, and shall be exempt from taxation under this subtitle:

[(1) **COST-OF-LIVING ALLOWANCES.**—In the case of civilian officers or employees of the Government of the United States stationed outside continental United States, amounts received as cost-of-living allowances in accordance with regulations approved by the President.

[(2) **FOREIGN SERVICE ALLOWANCES.**—In the case of an officer or employee of the Foreign Service of the United States, amounts received by such officer or employee as allowances or otherwise under the terms of title IX of the Foreign Service Act of 1946 (22 U.S.C. 1131–1158).**]**

SEC. 912. EXEMPTIONS FOR CERTAIN ALLOWANCES.

The following items shall not be included in gross income, and shall be exempt from taxation under this subtitle:

(1) *Foreign areas allowances.*—In the case of civilian officers and employees of the Government of the United States, amounts received as allowances or otherwise (but not amounts received as post differentials) under—

(A) *title IX of the Foreign Service Act of 1946, as amended (22 U.S.C., sec. 1131 and following),*

(B) *section 4 of the Central Intelligence Agency Act of 1949, as amended (50 U.S.C., sec. 403e),*

(C) *title II of the Overseas Differentials and Allowances Act, or*

(D) *subsection (e), or (f) of the first section of the Administrative Expenses Act of 1946, as amended, or section 22 of such Act.*

(2) *Cost-of-living allowances.*—*In the case of civilian officers or employees of the Government of the United States stationed outside the continental United States (other than Alaska), amounts (other than amounts received under title II of the Overseas Differentials and Allowances Act) received as cost-of-living allowances in accordance with regulations approved by the President.*



Calendar No. 1710

86TH CONGRESS
2D SESSION

H. R. 7758

[Report No. 1647]

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 9 (legislative day, SEPTEMBER 5), 1959

Read twice and referred to the Committee on Post Office and Civil Service

JUNE 22, 1960

Reported by Mr. JOHNSTON of South Carolina, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

To improve the administration of overseas activities of the Government of the United States, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That *titles I to V, inclusive,* of this Act may be cited as the
4 "Overseas Differentials and Allowances Act".

5 TITLE I—PURPOSE AND DEFINITIONS

6 PART A—PURPOSE

7 SEC. 101. The Congress hereby declares that it is the
8 purpose of this Act to improve and strengthen the adminis-
9 tration of overseas activities of the Government by—

1 (1) providing a means for more effectively com-
2 pensating Government employees for the extra costs and
3 hardships incident to their assignments overseas,

4 (2) providing for the uniform treatment of Gov-
5 ernment employees stationed overseas to the extent
6 justified by relative conditions of employment,

7 (3) establishing the basis for the more efficient and
8 equitable administration of the laws compensating Gov-
9 ernment employees for the extra costs and hardships
10 incident to their assignments overseas, and

11 (4) facilitating for the Government the recruit-
12 ment and retention of the best qualified personnel for
13 civilian service overseas.

14 PART B—DEFINITIONS

15 SEC. 111. As used in this title, title II, and section
16 522 of title V, the term—

17 (1) “Government” means the Government of the
18 United States of America;

19 (2) “Government agency” means (A) each executive
20 department of the Government, (B) each independent estab-
21 lishment or agency in the executive branch of the Govern-
22 ment, including each corporation wholly owned (either
23 directly or through one or more corporations) by the Gov-
24 ernment, (C) the General Accounting Office, and (D) the
25 Library of Congress;

(3) "Employee" means an individual employed in the civilian service of a Government agency and more specifically defined in regulations prescribed by the President, but including ambassadors, ministers, and officers of the Foreign Service of the United States under the Department of State;

(4) "United States", when used in a geographical sense, means the several States of the United States of America and the District of Columbia;

(5) "Continental United States" means the several States of the United States of America, excluding Alaska and Hawaii but including the District of Columbia; and

(6) "Foreign area" means any area (including the Trust Territory of the Pacific Islands) situated outside the United States, the Commonwealth of Puerto Rico, the Canal Zone, and the possessions of the United States.

TITLE II—ALLOWANCES AND DIFFERENTIALS IN FOREIGN AREAS

PART A—GENERAL PROVISIONS

SEC. 201. Notwithstanding section 1765 of the Revised Statutes (5 U.S.C. 70), the allowances and differentials provided by this title are authorized for and may be granted only to an employee officially stationed in a foreign area unless otherwise provided in this title—

(1) who is a citizen of the United States, and

(2) whose rate of basic compensation is fixed by statute or, without taking into consideration the allowance and differentials provided by this title, is fixed by administrative action pursuant to law or is fixed administratively in conformity with rates paid by the Government for work of a comparable level of difficulty and responsibility in the continental United States except that such allowances and differentials may be paid to an employee officially stationed in a foreign area who is not a citizen of the United States to the extent that the payment of such allowances and differentials to such non-citizen employee is authorized by any provision of law other than this title.

SEC. 202. Allowances granted under this title may be paid in advance, or advance of funds may be made therefor, through the proper disbursing officer in such sums as may be deemed advisable in consideration of the need and the period of time during which expenditures must be made in advance by the employee or employees. Any advance of funds not subsequently covered by allowances accrued to the employee or employees under this title shall be recoverable by the Government by setoff against accrued salary, pay, compensation, amount of retirement credit, or other amount due from the Government to such employee or

1 employees and by such other method as may be provided by
2 law for the recovery of amounts owing to the Government.
3 *The head of the Government agency concerned may, in ac-*
4 *cordance with regulations of the President, waive in whole*
5 *or in part any right of recovery under this section, if it is*
6 *shown that such recovery would be against equity and good*
7 *conscience or against the public interest.*

8 SEC. 203. The allowances and differentials authorized
9 by this title shall be paid in accordance with regulations
10 prescribed by the President establishing rules governing pay-
11 ments thereof and the respective rates at which such pay-
12 ments shall be made, the foreign areas, the groups of posi-
13 tions, and the categories of employees to which such rates
14 shall apply, and other related matters.

15 PART B—QUARTERS ALLOWANCES

16 SEC. 211. Whenever Government-owned or Govern-
17 ment-rented quarters are not provided without charge for
18 an employee in a foreign area, one or more of the following
19 quarters allowances may be granted to such employee where
20 applicable:

21 (1) A temporary lodging allowance for the reason-
22 able cost of temporary quarters incurred by the employee
23 and his family (A) for a period not in excess of three
24 months after first arrival at a new post of assignment in a

1 foreign area or a period ending with the occupation of resi-
2 dence quarters, whichever shall be shorter, and (B) for a
3 period of not more than one month immediately preceding
4 final departure from the post subsequent to the necessary
5 evacuation of residence quarters;

6 (2) A living quarters allowance for rent, heat, light,
7 fuel, gas, electricity, and water, without regard to the limi-
8 tations of section 3648 of the Revised Statutes, as amended
9 (31 U.S.C. 529) ; and

10 (3) Under unusual circumstances payment or reim-
11 bursement for extraordinary, necessary, and reasonable ex-
12 penses, not otherwise compensated for, incurred in initial re-
13 pairs, alterations, and improvements to an employee's
14 privately leased residence at a post of assignment in a foreign
15 area, if such expenses are administratively approved in ad-
16 vance and if the duration and terms of the lease justify
17 payment of such expenses by the Government.

18 PART C—COST-OF-LIVING ALLOWANCES

19 SEC. 221. The following cost-of-living allowances may
20 be granted, where applicable, to an employee in a foreign
21 area:

22 (1) A post allowance to offset the difference between
23 the cost of living at the post of assignment of the employee
24 in a foreign area and the cost of living in Washington, Dis-
25 trict of Columbia;

1 (2) A transfer allowance for extraordinary, necessary,
2 and reasonable expenses, not otherwise compensated for,
3 incurred by an employee incident to establishing himself at
4 any post of assignment in a foreign area or at a post of
5 assignment in the United States between assignments, to
6 posts in foreign areas;

7 (3) A separate maintenance allowance to assist an em-
8 ployee who is compelled, by reason of dangerous, notably
9 unhealthful, or excessively adverse living conditions at his
10 post of assignment in a foreign area or for the convenience
11 of the Government, to meet the additional expense of main-
12 taining, elsewhere than at such post, his wife or his de-
13 pendants, or both;

14 (4) An education allowance or payment of ~~transporta-~~
15 ~~tion~~ *travel* costs to assist an employee with the extraordinary
16 and necessary expenses, not otherwise compensated for,
17 incurred by reason of his service in any foreign area or for-
18 eign areas in providing adequate education for his depend-
19 ents, as follows:

20 (A) An allowance not to exceed the cost of obtain-
21 ing such elementary and secondary educational services as
22 are ordinarily provided without charge by the public schools
23 in the United States, plus, in those cases where adequate
24 schools are not available at the employee's post, board and
25 room, and periodic transportation between such post and

1 the nearest locality, where adequate schools are available,
2 without regard to the limitations of section 3648 of the
3 Revised Statutes, as amended (31 U.S.C. 529) ; but the
4 amount of the allowance granted shall be determined on the
5 basis of the educational facility used;

6 (B) The ~~cost of transporting~~ *travel expenses* of depend-
7 ents of an employee to and from a school in the United States
8 to obtain an American secondary or undergraduate college
9 education, not to exceed one trip each way for each depend-
10 ent for the purpose of obtaining each type of education; but
11 no allowance payments under subparagraph (A) of this
12 paragraph (4) shall be made for any dependent during the
13 twelve months following his arrival in the United States for
14 secondary education pursuant to authority contained in this
15 subparagraph (B). Notwithstanding section 111(6) of
16 this Act, ~~transportation~~ *travel expenses*, for the purpose of
17 obtaining undergraduate college education, may be authorized
18 under this subparagraph (B), under such regulations as the
19 President may prescribe, for dependents of employees who
20 are citizens of the United States stationed in the Canal Zone.

21 PART D—POST DIFFERENTIAL

22 SEC. 231. A post differential may be granted on the
23 basis of conditions of environment which differ substantially
24 from conditions of environment in the continental United
25 States and warrant additional compensation as a recruit-

ment and retention incentive. Such differential also may be granted to any employee who is officially stationed in the United States and who is on extended detail in a foreign area. Additional compensation paid as a post differential shall not in any instance exceed 25 per centum of the rate of basic compensation.

TITLE III—MISCELLANEOUS EXPENSES

PART A—STORAGE

SEC. 301. (a) Paragraphs (4) and (5) of section 911 of the Foreign Service Act of 1946 (22 U.S.C. 1136 (4) and (5)) are amended to read as follows:

“(4) the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Service, when he is absent from his post of assignment under orders, or when he is assigned to a post to which he cannot take or at which he is unable to use such furniture and household and personal effects, or when it is in the public interest or more economical to authorize storage; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law;

1 “(5) the cost of packing and unpacking, transport-
2 ing to and from a place of storage, and storing the
3 furniture and household and personal effects of an officer
4 or employee of the Service in connection with assign-
5 ment or transfer to a new post, from the date of his
6 departure from his last post or from the date of his
7 departure from his place of residence in the case of a
8 new officer or employee and for not to exceed three
9 months after arrival at the new post, or until the
10 establishment of residence quarters, whichever shall be
11 shorter; and, in connection with separation of an officer
12 or employee of the Service, the cost of packing and un-
13 packing, transporting to and from a place of storage, and
14 storing for a period not to exceed three months, his
15 furniture and household and personal effects; but in no
16 instance shall the weight or volume of the effects stored
17 together with the weight or volume of the effects trans-
18 ported exceed the maximum limitations fixed by regu-
19 lations, when not otherwise fixed by law.”

20 (b) Paragraphs (1) (D) and (E) of section 4 of the
21 Central Intelligence Agency Act of 1949 (63 Stat. 209,
22 72 Stat. 337; 50 U.S.C. 403e (a) (1) (D) and (E)) are
23 amended to read as follows:

24 “(D) pay the cost of packing and unpacking,
25 transporting to and from a place of storage, and storing

1 the furniture and household and personal effects of an
2 officer or employee of the Agency, when he is absent
3 from his post of assignment under orders, or when he is
4 assigned to a post to which he cannot take or at which
5 he is unable to use such furniture and household and
6 personal effects, or when it is in the public interest or
7 more economical to authorize storage; but in no instance
8 shall the weight or volume of the effects stored together
9 with the weight or volume of the effects transported
10 exceed the maximum limitations fixed by regulations,
11 when not otherwise fixed by law;

12 . “(E) pay the cost of packing and unpacking, trans-
13 porting to and from a place of storage, and storing the
14 furniture and household and personal effects of an officer
15 or employee of the Agency in connection with assign-
16 ment or transfer to a new post, from the date of his de-
17 parture from his last post or from the date of his de-
18 parture from his place of residence in the case of a
19 new officer or employee and for not to exceed three
20 months after arrival at the new post, or until the es-
21 tablishment of residence quarters, whichever shall be
22 shorter; and in connection with separation of an officer
23 or employee of the Agency, the cost of packing and
24 unpacking, transporting to and from a place of storage,
25 and storing for a period not to exceed three months, his

1 furniture and household and personal effects; but in no
2 instance shall the weight or volume of the effects stored
3 together with the weight or volume of the effects trans-
4 ported exceed the maximum limitations fixed by regu-
5 lations, when not otherwise fixed by law.”

6 (c) The first section of the Administrative Expenses
7 Act of 1946 (60 Stat. 806), as amended (5 U.S.C. 73b-1),
8 is amended—

9 (1) by striking out “(not to exceed seven thousand
10 pounds if uncrated or eight thousand seven hundred and
11 fifty pounds if crated or the equivalent thereof when
12 transportation charges are based on cubic measure-
13 ment)” in subsection (a) of such section and inserting
14 in lieu thereof “(not to exceed seven thousand pounds
15 net weight)”; and

16 (2) by adding at the end of such section the follow-
17 ing new subsection:

18 “(e) Whenever any civilian officer or employee (in-
19 cluding any new appointee in accordance with section 7 of
20 this Act) is assigned to a permanent duty station outside the
21 continental United States to which he cannot take or at
22 which he is unable to use his household goods and personal
23 effects or whenever the head of the department concerned
24 authorizes storage of any such property in the public interest
25 or for reasons of economy, storage expenses (including re-

1 lated transportation and other expenses) may be allowed
2 such officer or employee in accordance with regulations pre-
3 scribed by the President; but in no instance shall the weight
4 of the property stored under this subsection, together with
5 the weight of property transported under subsection (a), ex-
6 ceed the maximum weight limitation provided by subsection
7 (a).”

8 (d) The term “furniture and household and personal
9 effects”, as used in the amendments made by this part to
10 the Foreign Service Act of 1946, as amended, and the Cen-
11 tral Intelligence Agency Act of 1949, as amended, and the
12 term “household goods and personal effects”, as used in the
13 amendments made by this part to the Administrative Ex-
14 penses Act of 1946, as amended, mean such personal prop-
15 erty of an employee and the dependents of such employee
16 as the Secretary of State and the Director of Central Intelli-
17 gence, as the case may be, with respect to the term “furni-
18 ture and household and personal effects”, and the President,
19 with respect to the term “household goods and personal
20 effects”, shall by regulation authorize to be transported or
21 stored under the amendments made by this part to such Acts
22 (including, in emergencies, motor vehicles authorized to be
23 shipped at Government expense). Such motor vehicle shall
24 be excluded from the weight and volume limitations pre-
25 scribed by the laws set forth in this part.

1 PART B—OFFICIAL RESIDENCE EXPENSES

2 SEC. 311. (a) The Administrative Expenses Act of
3 1946 (60 Stat. 806), as amended, is amended by adding at
4 the end thereof the following new section:

5 “SEC. 22. Under such regulations as the President may
6 prescribe, funds available to the departments for admin-
7 istrative expenses may be allotted to posts in foreign coun-
8 tries for the purpose of defraying the unusual expenses inci-
9 dent to the operation and maintenance of official residences
10 suitable for the chief representatives of the United States at
11 such posts and such other senior officials of this Government
12 in foreign countries as the President may designate.”

13 (b) Section 8 of the United Nations Participation Act
14 of 1945, as amended (22 U.S.C. 287e), is amended by
15 striking out “and the allotment of funds, similar to the
16 allotment authorized by section 902 of the Foreign Service
17 Act of 1946, for unusual expenses incident to the operation
18 and maintenance of such living quarters, to be accounted for
19 in accordance with section 903 of said Act;” and inserting in
20 lieu thereof “and unusual expenses similar to those authorized
21 by section 22 of the Administrative Expenses Act of 1946,
22 as amended by section 311 of the Overseas Differentials and
23 Allowances Act, incident to the operation and maintenance
24 of such living quarters;”.

1 PART C—TRANSPORTATION OF MOTOR VEHICLES

2 SEC. 321. The first section of the Administrative Ex-
3 penses Act of 1946 (60 Stat. 806), as amended (5 U.S.C.
4 73b-1), is amended by adding thereto, immediately follow-
5 ing the new subsection (e) added to such first section by
6 section 301 (c) of this Act, the following new subsection:

7 “(f) Under such regulations as the President may pre-
8 scribe, the privately owned motor vehicle of any employee
9 (including any new appointee, in accordance with section
10 7 of this Act) assigned to a post of duty outside the conti-
11 nental United States on other than temporary duty orders
12 may be transported to, from, and between the continental
13 United States and such post of duty, or between posts of
14 duty outside the continental United States, whenever it is
15 determined by the head of the department concerned to be
16 in the interest of the Government for such employee to have
17 the use of a motor vehicle at his post of duty. Not more
18 than one motor vehicle of any employee may be transported
19 under authority of this subsection during any four-year pe-
20 riod, except that, as a replacement for such motor vehicle,
21 one additional motor vehicle of any employee may be so
22 transported during such period upon approval, in advance,
23 by the head of the department concerned and upon a deter-
24 mination, in advance, by such department head that such

1 replacement is necessary for reasons beyond the control of
2 the employee and is in the interest of the Government. After
3 the expiration of a period of four years following the date
4 of transportation under authority of this subsection of a
5 privately owned motor vehicle of any employee who has
6 remained in continuous service outside the continental United
7 States during such period, the transportation of a replace-
8 ment for such motor vehicle for such employee may be
9 authorized, in accordance with this subsection, by the head of
10 the department concerned. The head of each department
11 may, in accordance with this subsection, authorize the trans-
12 portation of privately owned motor vehicles of employees
13 of such department, assigned to duty outside the continental
14 United States, by commercial means if available at reason-
15 able rates and under reasonable conditions or by Govern-
16 ment means on a space-available basis. This subsection shall
17 not apply to the Foreign Service of the United States under
18 the Department of State and to the Central Intelligence
19 Agency but shall not affect the authority contained in sec-
20 tion 913 of the Foreign Service Act of 1946 (60 Stat.
21 1027; 22 U.S.C. 1138) or paragraph (4) of section 4
22 of the Central Intelligence Agency Act of 1949 (63 Stat.
23 210, 72 Stat. 337; 50 U.S.C. 403e (a) (4)).”

24 SEC. 322. Section 913 of the Foreign Service Act of

1 1946 (60 Stat. 1027; 22 U.S.C. 1138) is amended to read
2 as follows:

3 "TRANSPORTATION OF MOTOR VEHICLES

4 "SEC. 913. The Secretary may, notwithstanding the
5 provisions of any other law, transport for or on behalf of an
6 officer or employee of the Service, a privately owned motor
7 vehicle in any case in which he shall determine that water,
8 rail, or air transportation of the motor vehicle is necessary
9 or expedient for all or any part of the distance between
10 points of origin and destination. Not more than one motor
11 vehicle of any such officer or employee may be transported
12 under authority of this section during any four-year period,
13 except that, as a replacement for such motor vehicle, one
14 additional motor vehicle of any such officer or employee may
15 be so transported during such period upon approval, in ad-
16 vance, by the Secretary and upon a determination, in advance,
17 by the Secretary that such replacement is necessary for
18 reasons beyond the control of the officer or employee and
19 is in the interest of the Government. After the expiration
20 of a period of four years following the date of transportation
21 under authority of this section of a privately owned motor
22 vehicle of any officer or employee who has remained in
23 continuous service outside the continental United States (ex-

1 cluding Alaska and Hawaii) during such period, the trans-
2 portation of a replacement for such motor vehicle for such
3 officer or employee may be authorized by the Secretary in
4 accordance with this section.”

5 SEC. 323. (a) That part of section 4(a) of the Cen-
6 tral Intelligence Agency Act of 1949, as amended (63 Stat.
7 209, 73 Stat. 337; 50 U.S.C. 403e), which precedes para-
8 graph (1) thereof, is amended—

9 (1) by striking out “(a)”; and

10 (2) by striking out “permanent-duty stations out-
11 side the continental United States, its territories, and
12 possessions,” and inserting in lieu thereof “duty stations
13 outside the several States of the United States of Amer-
14 ica, excluding Alaska and Hawaii, but including the
15 District of Columbia,”.

16 (b) Paragraph (4) of section 4 of the Central Intelli-
17 gency Agency Act of 1949, as amended (63 Stat. 210, 73
18 Stat. 337; 50 U.S.C. 403e(a)(4)), is amended to read
19 as follows:

20 “(4) Notwithstanding the provisions of any other
21 law, transport for or on behalf of an officer or employee
22 of the Agency, a privately owned motor vehicle in any
23 case in which it shall be determined that water, rail, or

1 air transportation of the motor vehicle is necessary or
2 expedient for all or any part of the distance between
3 points of origin and destination, and pay the costs of
4 such transportation. Not more than one motor vehicle
5 of any officer or employee of the Agency may be trans-
6 ported under authority of this paragraph during any
7 four-year period, except that, as a replacement for such
8 motor vehicle, one additional motor vehicle of any such
9 officer or employee may be so transported during such
10 period upon approval, in advance, by the Director and
11 upon a determination, in advance, by the Director that
12 such replacement is necessary for reasons beyond the
13 control of the officer or employee and is in the interest
14 of the Government. After the expiration of a period of
15 four years following the date of transportation under au-
16 thority of this paragraph of a privately owned motor
17 vehicle of any officer or employee who has remained in
18 continuous service outside the several States of the
19 United States of America, excluding Alaska and Hawaii,
20 but including the District of Columbia, during such pe-
21 riod, the transportation of a replacement for such motor
22 vehicle for such officer or employee may be authorized
23 by the Director in accordance with this paragraph."

1 TITLE IV—AMENDMENTS TO ANNUAL AND SICK
2 LEAVE ACT OF 1951

3 SEC. 401. Subsections (d), (e), and (f) of section 203
4 of the Annual and Sick Leave Act of 1951, as amended
5 (5 U.S.C. 2062 (d), (e), and (f)), are amended to
6 read as follows:

7 “(d) Notwithstanding the provisions of subsection (c),
8 a maximum accumulation not to exceed forty-five days at
9 the beginning of the first complete biweekly pay period, or
10 corresponding pay period in the case of an officer or em-
11 ployee who is not paid on the basis of biweekly pay periods,
12 in any year is authorized for the following categories of em-
13 ployees of the Federal Government stationed outside the
14 United States:

15 “(1) Persons directly recruited or transferred by the
16 Federal Government (A) from the United States, or (B)
17 from the Commonwealth of Puerto Rico or the possessions
18 of the United States for employment outside the area of re-
19 cruitment or from which transferred.

20 “(2) Persons employed locally but (A) (i) who were
21 originally recruited from the United States, or from the
22 Commonwealth of Puerto Rico or the possessions of the
23 United States but outside the area of employment, (ii) who
24 have been in substantially continuous employment by other
25 Federal agencies, United States firms, interests or organiza-

1 tions, international organizations in which the United States
2 Government participates, or foreign governments, and (iii)
3 whose conditions of employment provide for their return
4 transportation to the United States or the Commonwealth of
5 Puerto Rico or the possessions of the United States, or
6 (B) (i) who were at the time of employment temporarily
7 absent, for the purpose of travel or formal study, from the
8 United States, or from their respective places of residence in
9 the Commonwealth of Puerto Rico or the possessions of the
10 United States and (ii) who, during such temporary absence,
11 have maintained residence in the United States or in the Com-
12 monwealth of Puerto Rico or the possessions of the United
13 States but outside the area of employment.

14 “(3) Persons who are not normally residents of the
15 area concerned and who are discharged from service in the
16 Armed Forces of the United States to accept employment
17 with an agency of the Federal Government.

18 “(e) The leave granted pursuant to this title shall be
19 exclusive of the time actually and necessarily occupied in
20 going to and from the post of duty and exclusive of such
21 time as may be necessarily occupied in awaiting transporta-
22 tion, in the case of an officer or employee (1) who is within
23 the purview of subsection (d) of this section, (2) whose
24 post of duty is outside the United States, and (3) who
25 returns on leave to the United States, or to his place of

1 residence, which is outside the area of employment, in the
2 Commonwealth of Puerto Rico or the possessions of the
3 United States. The provisions of this subsection shall not
4 apply to more than one period of leave in a prescribed tour
5 of duty at a post outside the United States.

6 “(f) Upon completion of twenty-four months of
7 continuous service outside the United States, officers
8 and employees may be granted, in accordance with regula-
9 tions of the President, leave of absence at a rate not to
10 exceed one week for each four months of such service
11 without regard to any other leave provided by this title, for
12 use in the United States, or, if their respective places of
13 residence are outside the area of employment, in the Com-
14 monwealth of Puerto Rico or the possessions of the United
15 States. Such leave so granted may be accumulated for
16 future use without regard to the limitation in subsection
17 (d) of this section but no such leave shall be made the
18 basis for any terminal leave or for any lump-sum payment.”

19 SEC. 402. (a) Section 202 (b) (2) of the Annual and
20 Sick Leave Act of 1951, as amended (5 U.S.C. 2061 (b)
21 (2)), is amended to read as follows:

22 “(2) This title, except section 203 (g) , shall not apply
23 to alien employees who occupy positions outside the United
24 States.”

25 (b) Section 203 (g) of such Act, as amended (5 U.S.C.

1 2062 (g)) , is amended by striking out “the several States and
2 the District of Columbia” and inserting in lieu thereof “the
3 United States”.

4 (c) Section 202 of such Act, as amended (5 U.S.C.
5 2061), is amended by adding at the end of such section
6 the following new subsection:

7 “(d) As used in this title, the term ‘United States’
8 means the several States of the United States of America
9 and the District of Columbia.”

10 SEC. 403. The amendments made by this title to the
11 Annual and Sick Leave Act of 1951, as amended, shall take
12 effect on the first day of the first pay period following the
13 date of enactment of this Act.

14 TITLE V—APPROPRIATION, REPEAL, AMENDA-
15 TORY, AND MISCELLANEOUS PROVISIONS

16 PART A—APPROPRIATION PROVISIONS

17 SEC. 501. (a) There are hereby authorized to be ap-
18 propriated such sums as may be necessary to carry out the
19 purposes of this Act and the amendments made by this Act.

20 (b) Appropriations or funds otherwise available, for
21 the fiscal year ending June 30, 1960, to any department,
22 agency, establishment or corporation of the Government of
23 the United States of America within the purview of this
24 Act or of any amendment made by this Act are hereby made

1 available for the purposes of this Act and of any such
2 amendment in accordance with the authority contained in
3 this Act or contained in any law amended by this Act and
4 in accordance with such regulations as the President may
5 prescribe.

6 PART B—REPEAL AND AMENDATORY PROVISIONS

7 SEC. 511. (a) The following provisions of law are
8 hereby repealed:

9 (1) Sections 443, ~~904 (1) and (2)~~, 902, 903, and
10 911 (9) of the Foreign Service Act of 1946, as amended
11 (60 Stat. 1006, 1025, and 1026; 69 Stat. 27; 22 U.S.C.
12 888, ~~1131~~, 1132, 1133, and 1136 (9)) ;

13 (2) Sections 2 (b) , 13, and 14 of the Act entitled “An
14 Act to provide certain basic authority for the Department
15 of State”, approved August 1, 1956 (70 Stat. 890, 892;
16 Public Law 885, Eighty-fourth Congress; 5 U.S.C. 170g
17 (b) , 170r, and 170s) ; and

18 (3) Sections 1 (d) and 4 (b) of the Central Intelli-
19 gence Agency Act of 1949, as amended (63 Stat. 208 and
20 211; 50 U.S.C. 403a (d) and 403e (b)).

21 (b) Any provision of law which is not repealed by sub-
22 section (a) of this section but is inconsistent with any pro-
23 vision of this Act or of any amendment made by this Act
24 shall be held and considered to be amended, modified, or

1 superseded to the extent necessary to carry out the purposes
2 of and conform to such provision of this Act or of such
3 amendment.

4 (c) (1) Section 1(c) of the Central Intelligence
5 Agency Act of 1949 (63 Stat. 208; 50 U.S.C. 403a(c))
6 is amended by striking out "Government; and" and insert-
7 ing in lieu thereof "Government."

8 (2) Paragraph (1) (A) of section 4 of the Central
9 Intelligence Agency Act of 1949, as amended (63 Stat. 209;
10 72 Stat. 337; 50 U.S.C. 403e(a) (1) (A)), is amended to
11 read as follows:

12 "(1) (A) pay the travel expenses of officers and
13 employees of the Agency, including expenses incurred
14 while traveling pursuant to authorized home leave;"

15 (3) Paragraph (3) (A) of section 4 of such Act (63
16 Stat. 209 and 210; 72 Stat. 337; 50 U.S.C. 403e(a) (3)
17 (A)) is amended to read as follows:

18 "(3) (A) Order to any of the several States of
19 the United States of America (including the District of
20 Columbia, the Commonwealth of Puerto Rico, and any
21 territory or possession of the United States) on leave
22 of absence each officer or employee of the Agency who
23 was a resident of the United States (as described above)
24 at time of employment, upon completion of two years'

1 continuous service abroad, or as soon as possible there-
2 after.”

3 (4) Paragraph (3) (B) of section 4 of such Act (63
4 Stat. 210; 72 Stat. 337; 50 U.S.C. 403e (a) (3) (B)) is
5 amended to read as follows:

6 “(B) While in the United States (as described in
7 paragraph (3) (A) of this section) on leave, the service
8 of any officer or employee shall be available for work or
9 duties in the Agency or elsewhere as the Director may
10 prescribe; and the time of such work or duty shall not be
11 counted as leave.”

12 (5) Paragraph (3) (C) of section 4 of such Act (63
13 Stat. 210; 72 Stat. 337; 50 U.S.C. 403e (a) (3) (C)) is
14 amended to read as follows:

15 “(C) Where an officer or employee on leave returns
16 to the United States (as described in paragraph (3) (A)
17 of this section), leave of absence granted shall be ex-
18 clusive of the time actually and necessarily occupied in
19 going to and from the United States (as so described)
20 and such time as may be necessarily occupied in awaiting
21 transportation.”

22 (6) The Act entitled “An Act to provide living quarters,
23 including heat, fuel, and light, for civilian officers and em-
24 ployees of the Government stationed in foreign countries”,

1 approved June 26, 1930 (46 Stat. 818; Public Law 445,
2 Seventy-first Congress; 5 U.S.C. 118a), is amended—

3 (A) by striking out “and, where such quarters are
4 not available, may be granted an allowance for living
5 quarters, including heat, fuel, and light, notwithstanding
6 the provisions of section 1765 of the Revised Statutes
7 (U.S.C., title 5, sec. 70)” ; and

8 (B) by striking out that part of the first proviso of
9 such Act of June 26, 1930, which reads “or allowances
10 in lieu thereof”.

11 (7) *Section 901 of the Foreign Service Act of 1946,*
12 *as amended (22 U.S.C. 1131), is amended to read as*
13 *follows:*

14 “REPRESENTATION ALLOWANCES

15 “SEC. 901. *In accordance with such regulations as the*
16 *President may prescribe and notwithstanding the provisions*
17 *of section 1765 of the Revised Statutes (5 U.S.C. 70), the*
18 *Secretary is authorized to grant to any officer or employee*
19 *of the Service who is a citizen of the United States allowances*
20 *in order to provide for the proper representation of the United*
21 *States by officers or employees of the Service.”*

22 PART C—MISCELLANEOUS PROVISIONS

23 SEC. 521. Whenever reference is made in any other
24 law or in any regulation to any provision of law which is re-
25 pealed, modified, amended, or superseded by reason of sec-

tion 511 of this Act, such reference, unless inconsistent with this Act, shall be held and considered to refer to this Act or the appropriate provision of, or amendment made by, this Act.

SEC. 522. Notwithstanding any provision of this Act and until such time as regulations are issued under this Act, employees shall continue to be paid allowances and differentials in accordance with rules and regulations issued pursuant to the laws in effect immediately prior to the enactment of this Act and such rules and regulations may be amended or revoked in accordance with the provisions of such laws.

SEC. 523. (a) Section 912 of the Internal Revenue Code of 1954 (relating to exemption for certain allowances) is amended to read as follows:

“SEC. 912. EXEMPTIONS FOR CERTAIN ALLOWANCES.

“The following items shall not be included in gross income, and shall be exempt from taxation under this subtitle:

“(1) **FOREIGN AREAS ALLOWANCES.**—In the case of civilian officers and employees of the Government of the United States, amounts received as allowances or otherwise (but not amounts received as post differentials) under—

“(A) title IX of the Foreign Service Act of 1946, as amended (22 U.S.C., sec. 1131 and following),

1 “(B) section 4 of the Central Intelligence
2 Agency Act of 1949, as amended (50 U.S.C., sec.
3 403e),

4 “(C) title II of the Overseas Differentials and
5 Allowances Act, or

6 “(D) subsection (e) or (f) of the first section
7 of the Administrative Expenses Act of 1946, as
8 amended, or section 22 of such Act.

9 “(2) COST-OF-LIVING ALLOWANCES.—In the case
10 of civilian officers or employees of the Government of
11 the United States stationed outside the continental
12 United States (other than Alaska), amounts (other than
13 amounts received under title II of the Overseas Differen-
14 tials and Allowances Act) received as cost-of-living
15 allowances in accordance with regulations approved by
16 the President.”

17 (b) Paragraphs (1) and (2) of section 912 of the
18 Internal Revenue Code of 1954, as amended by subsec-
19 tion (a) of this section, shall apply only with respect to
20 amounts received on or after the date of the enactment of
21 this Act in taxable years ending on or after such date.

Passed the House of Representatives September 8, 1959.

Attest:

RALPH R. ROBERTS,

Clerk.

86TH CONGRESS
2D SESSION

H. R. 7758

[Report No. 1647]

AN ACT

To improve the administration of overseas activities of the Government of the United States, and for other purposes.

SEPTEMBER 9 (legislative day, SEPTEMBER 5), 1959

Read twice and referred to the Committee on Post Office and Civil Service

JUNE 22, 1960

Reported with amendments

June 28, 1960

13. **NOMINATIONS.** Received the nomination of Carl J. Stephens to be General Counsel of this Department. p. 13696
14. **LANDS.** The Interior and Insular Affairs Committee reported with amendment H. R. 7004, to permit consistent practices in the management of all Bureau of Land Management lands so far as investigations, cooperative agreements, and acceptance of contributions are concerned (S. Rept. 1755). p. 13596
Passed as reported S. 2757, to permit States to acquire certain public lands for recreational use for which the States applied in 1959 but were not granted. p. 13608
Passed without amendment S. 2806, to revise the boundaries of the Coronado National Memorial and to authorize the repair and maintenance of an access road to the Memorial. p. 13612
Passed as reported S. 3212, to direct the Secretary of the Interior to convey certain public lands in Nevada to the county of Mineral. pp. 13630-2
Passed with amendment S. 2959, to clarify the right of States to select certain public lands subject to any outstanding mineral lease or permit. p. 13638
15. **PERSONNEL.** The Government Operations Committee reported with amendment S. Res. 338, relating to the tenure of office of individuals appointed to Government administrative and policymaking posts (S. Rept. 1753). p. 13596
16. **VETERANS' BENEFITS.** Passed as reported H. R. 5040, to amend and clarify the reemployment provisions of the Universal Military Training and Service Act. pp. 13619-20
17. **HAWAII.** Passed as reported H. R. 11602, to amend certain laws of the U. S. in light of the admission of Hawaii into the Union. p. 13622
18. **PROPERTY.** Passed without amendment H. R. 11522, to permit certain real property of the U. S. to be conveyed to States, municipalities, and other political subdivisions for highway purposes. This bill will now be sent to the President. p. 13628
19. **TRADEMARKS.** Passed as reported S. 2429, to modify the laws relating to the registration and protection of trademarks used in commerce and to carry out provisions of international conventions. pp. 13622-5
20. **PUBLIC WORKS.** Passed without amendment S. J. Res. 202, providing for the designation of the week commencing Oct. 2, 1960, as National Public Works Week. p. 13625
21. **AIR POLLUTION.** Passed with amendments S. 3108, to extend the Federal air pollution control law and to provide for public hearings on air pollution problems. pp. 13628-30
22. **RECREATION FACILITIES.** Passed as reported S. 3260, to authorize the Secretary of the Army to modify certain leases entered into for the provisions of recreational facilities in reservoir areas. p. 13630
23. **FORESTRY.** Passed without amendment S. J. Res. 209, to provide for the designation of the week beginning on the third Sunday of Oct. each year as National Forest Products Week. p. 13632

24. FRUITS. Sen. Holland inserted and commended a press dispatch stating that the Florida Citrus Commission has a \$7 million budget for use in governing and promoting the State's citrus industry. p. 13634
25. RYUKYU ISLANDS. Passed as reported H. R. 1157, to provide for the promotion of the economic and social development in the Ryukyu Islands. pp. 13637-8
26. BANKING, U. S. OBLIGATIONS. Passed without amendment H. R. 12346, to extend for 2 years the authority of the Federal Reserve banks to purchase U. S. obligations directly from the Treasury. This bill will now be sent to the President. A similar bill, S. 3702, was indefinitely postponed. pp. 13638-9
27. DEBT LIMIT; TAXATION. By a vote of 61 to 32, agreed to the conference report on H. R. 12381, to extend for 1 year the public debt limit and to extend for 1 year certain corporate normal-tax rate and excise-tax rates. This bill will now be sent to the President. pp. 13639-49
28. PASSED OVER the following bills:
- H. R. 4012, to provide for the centennial celebration of the establishment of the land-grant colleges, State universities, and this Department. p. 13605
 - H. R. 5140, to amend the Reorganization Act of 1949 so that the act will apply to reorganization plans transmitted to Congress at any time before June 1, 1961. p. 13605
 - S. 1711, the food-for-peace bill. p. 13605
 - S. 2522, to provide for the enrichment and sanitary packaging of certain donated foods, and provide for a food stamp allotment program. p. 13605
 - S. 883, jurisdiction of U. S. Court of Claims to hear and render judgments on claims for overtime work for employees. p. 13605
 - S. 1787, regulation of misbranding, etc., of certain hardwood products. p. 13605
 - S. 1638, to modify the Federal personnel administration system. p. 13605
 - S. 2917, to increase milk and butterfat price supports. p. 13605
 - S. 3275, to extend World War II guaranteed loan programs. p. 13609
- Passed over H. R. 7758, to improve the administration of Federal overseas activities. p. 13609
- S. 3228, regulation of common carriers by motor vehicles within a State. p. 13609
 - S. 2587, to require an act of Congress for public land withdrawals by Federal agencies in excess of 5,000 acres. pp. 13618-9
 - H. R. 5068, to provide for licensing independent foreign freight forwarders. p. 13622
 - H. R. 5196, to increase maximum rates of per diem for Federal employees. p. 13628
29. TEXTILES. Sen. Talmadge criticized the U. S. Tariff Commission for refusing "to invoke the safeguards of section 22 of the Agricultural Adjustment Act to protect the American textile industry" and stated "the Commission majority embraced the policy of the Department of State and the Eisenhower Administration that the American textile industry is expendable in the international game of attempting to buy allies." He also inserted the minority report of the Commission members and was joined by several other Senators in his criticism. pp. 13657-61
30. MARKETING. Concurred in House amendments to S. 1283, to regulate the interstate distribution and sale of packages of hazardous substances intended or suitable for household use (pp. 13661-2). This bill will now be sent to the President.

The amendments were agreed to.
The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 3258) to amend the District of Columbia Alcoholic Beverage Control Act, was announced as next in order.

Mr. BARTLETT. Over, Mr. President.
The PRESIDING OFFICER. The bill will be passed over.

BILLS PASSED OVER

The bill (S. 3274) to permit certain veterans pursuing courses of vocational rehabilitation training to continue in pursuit thereof for such period as may be necessary to complete such courses was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. BARTLETT. Over.

The PRESIDING OFFICER. The bill will go over.

The bill (H.R. 4306) to provide education and training for the children of veterans dying of a service-connected disability incurred after January 31, 1955, and before the end of compulsory military service was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. BARTLETT. Over.

The PRESIDING OFFICER. The bill will go over.

The bill (S. 3275) to extend, with respect to World War II veterans, the guaranteed loans programs under chapter 37 of title 38, United States Code, to February 1, 1965, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. BARTLETT. Over, by request.

The PRESIDING OFFICER. Objection is heard. The bill will go over.

The bill (H.R. 7758) to improve the administration of oversea activities of the Government of the United States, and for other purposes was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. BARTLETT. Over by request.

The PRESIDING OFFICER. The bill will go over.

The bill (S. 3228) to amend the provisions of part II of the Interstate Commerce Act which authorize certain operations within a State as a common carrier by motor vehicles engaged in interstate or foreign commerce if State authorized was announced as next in order.

Mr. KEATING. Over by request.

The PRESIDING OFFICER. The bill will go over.

RESTORATION OF AMOUNTS EXPENDED UNDER THE TEMPORARY UNEMPLOYMENT COMPENSATION ACT OF 1958

The bill (S. 3416) to provide for the restoration to the United States of amounts expended in the District of Columbia in carrying out the Temporary Unemployment Compensation Act of 1958 was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MORSE. Mr. President, I ask unanimous consent that a memorandum in explanation of the bill be filed in the RECORD at this point.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MORSE

The purpose of this bill is to provide necessary authorization for appropriations and of procedures which will enable the District of Columbia Unemployment Compensation Board to reimburse the Treasury of the United States for certain expenditures made pursuant to the provisions of the Temporary Unemployment Compensation Act of 1958, and to avoid the necessity of increasing the Federal Unemployment Compensation taxes upon employers of four or more employees in the District of Columbia.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to transfer from the account of the District of Columbia in the Unemployment Trust Fund in the Treasury of the United States to the United States, an amount equal to the amount of temporary unemployment compensation paid in the District of Columbia under the Temporary Unemployment Compensation Act of 1958 (except amounts paid to individuals who exhausted their unemployment compensation under title XV of the Social Security Act and title IV of the Veterans Readjustment Assistance Act of 1952, prior to their making their first claim under the Temporary Unemployment Compensation Act of 1958), whenever such amount has been determined with respect to the District of Columbia, but prior to December 1, 1963.

SEC. 2. There is hereby appropriated, pursuant to section 14 of the District of Columbia Unemployment Compensation Act (49 Stat. 946, 954), as amended (sec. 46-314, D.C. Code, 1951 edition, supp. VII) from the moneys credited pursuant to section 903 of the Social Security Act (49 Stat. 640), as amended (68 Stat. 670; 42 U.S.C. 1958 ed., sec. 1103), to the account of the District of Columbia in the Unemployment Trust Fund in the Treasury of the United States, \$150,000 or so much thereof as may be necessary to pay over to the United States an amount equal to the amount of costs incurred by the District Unemployment Compensation Board in the administration of the Temporary Unemployment Compensation Act of 1958. This amount shall be paid whenever such amount is determined but not later than two years

from the date of the enactment of this appropriation. In any event this payment shall be made prior to December 1, 1963. The amount obligated pursuant to this section during any fiscal year shall not exceed the amount by which (a) the aggregate of the amounts credited to the account of the District of Columbia pursuant to section 903 of the Social Security Act during such fiscal year and the four preceding fiscal years exceeds (b) the aggregate of the amounts obligated for administration and paid out for benefits and charged against the amounts credited to the account of the District of Columbia during such five fiscal years.

SEC. 3. (a) There is hereby created a special fund in the Treasury of the United States, separate and apart from the District Unemployment Fund, to be known as a Special Administration Fund. Notwithstanding any contrary provisions of the District of Columbia Unemployment Compensation Act—(1) Interest and penalties collected from employers after the end of the month in which this Act is enacted shall be deposited into the clearing account in the District Unemployment Fund in the Treasury of the United States for clearance only and shall not, except as provided in subsection (c), be deemed a part of the District Unemployment Fund; (2) thereafter, during each calendar quarter there shall be transferred from the clearing account to such Special Administration Fund all interest and penalties collected from employers during the preceding calendar quarter; and (3) refunds of interest and penalties paid into the Special Administration Fund shall be made from such fund or, after such fund is discontinued as hereinafter provided, from the balance transferred from such fund to the clearing account in the District Unemployment Fund.

(b) The District Unemployment Compensation Board is authorized and directed to requisition from such Special Administration Fund an amount equal to the District's proportionate share of other costs incurred in the administration of the Temporary Unemployment Compensation Act of 1958 as prescribed in section 104(a) thereof, whenever such amount has been determined with respect to the District of Columbia and sufficient funds are available in such Special Administration Fund, and prior to December 1, 1963, to pay such amount to the United States.

(c) Thereafter, and as soon as the amount in the Special Administration Fund exceeds \$5,000, such amount shall be transferred to the clearing account in the District Unemployment Fund, such Special Administration Fund shall be discontinued, and all interest and penalties subsequently collected from employers shall be paid into the District Unemployment Fund as provided by the District of Columbia Unemployment Compensation Act.

ADMINISTRATION OF PUBLIC ASSISTANCE IN THE DISTRICT OF COLUMBIA

The bill (S. 3363) to provide for more effective administration of public assistance in the District of Columbia; to make certain relatives responsible for support of needy persons, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on

the District of Columbia, with amendments, on page 1, line 4, after the word "of", to strike out "1959" and insert "1960"; on page 2, line 21, after the word "the", to strike out "Commissioner" and insert "Commissioners"; on page 4, line 7, after "July 1," to strike out "1959" and insert "1960"; on page 5, line 8, after the word "check", to insert "except that"; on page 7, line 15, after the word "Commissioners", to strike out "are authorized, in their discretion, to" and insert "shall"; on page 10, line 1, after the word "and", to strike out "shal" and insert "shall"; in line 18, after the word "assistance", to insert "in the form of old age assistance or aid to the disabled"; on page 11, line 7, after the word "assistance", to insert "in the form of old age assistance or aid to the disabled"; in line 11, after the word "real", to insert "and personal"; in line 18, after the word "real", to insert "and personal"; on page 12, line 1, after the word "assistance", to insert "in the form of old age assistance or aid to the disabled"; on page 13, after line 18, to strike out:

RELIEF FROM LIABILITY

SEC. 21. The Comptroller General may, in his discretion, relieve any disbursing, certifying, or approving officer of liability on account of any otherwise proper payment for public assistance made by the District prior to the effective date of Public Law 84, Eighty-second Congress (65 Stat. 124), whenever he finds (1) that the disbursement, certification, or approval was based on official records and the responsible officer did not know, and by reasonable diligence and inquiry could not have ascertained, the actual facts, or (2) that the payment, certification, or approval was made in good faith and that the payment was not contrary to any statutory provision specifically prohibiting payments of the character involved.

On page 14, at the beginning of line 9, to change the section number from "22" to "21"; at the beginning of line 14, to change the section number from "23" to "22"; at the beginning of line 19, to change the section number from "24" to "23"; on page 15, at the beginning of line 2, to change the section number from "25" to "24"; at the beginning of line 20, to change the section number from "26" to "25"; on page 16, at the beginning of line 9, to change the section number from "27" to "26", and at the beginning of line 15, to change the section number from "28" to "27"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "District of Columbia Public Assistance Act of 1960."

DEFINITIONS

SEC. 2. As used in this Act, the word "District" means the District of Columbia; the word "Commissioners" means the Commissioners of the District of Columbia or the agents, agencies, officers, and employees designated by them to perform any function vested in them by this Act; the term "public assistance" means payment in or by money, medical care, remedial care, goods or services to, or for the benefit of, needy persons; the word "recipient" means a person to whom or on whose behalf public assistance is granted and the word "State" includes Puerto Rico, Guam, and the Virgin Islands.

FUNCTIONS OF COMMISSIONERS

SEC. 3. This Act shall be administered by the Commissioners, who shall—

(a) establish such categories of public assistance as they deem appropriate;

(b) (1) provide for maximum cooperation with other agencies rendering services to maintain and strengthen family life and to help applicants for public assistance and recipients to attain self-support or self-care, and (2) provide such services directly under this Act to the extent that they are not available from other agencies: *Provided*, That as used in this paragraph the term "other agencies" shall include programs administered by or under the Commissioners under the authority of any law other than this Act;

(c) establish and enforce such rules and regulations as may be necessary or desirable to carry out the provisions of this Act;

(d) cooperate in all necessary respects with agencies of the United States Government in the administration of this Act, and accept any funds, goods, or services payable to the District for public assistance and for administering public assistance;

(e) enter into reciprocal agreements with any State relative to the provision of public assistance to residents and nonresidents.

ELIGIBILITY FOR PUBLIC ASSISTANCE

SEC. 4. Public assistance shall be awarded to or on behalf of any needy individual who either (a) has resided in the District for one year immediately preceding the date of filing his application for such assistance; or (b) who was born within one year immediately preceding the application for such aid, if the parent or other relative with whom the child is living has resided in the District for one year immediately preceding the birth; or (c) is otherwise within one of the categories of public assistance established by the Commissioners pursuant to this Act.

AMOUNT OF PUBLIC ASSISTANCE

SEC. 5. (a) The amount of public assistance which any person shall receive shall be determined in accordance with regulations approved by the Commissioners.

(b) Such amount as referred to in subsection (a) of this section shall not be less than the full amount determined as necessary on the basis of the minimum needs of such person as established in accordance with such regulations. No ceiling shall be administratively imposed with respect to the amount of public assistance which any person, or class of persons, may receive.

(c) The provisions of subsection (b) of this section shall become effective on July 1, 1960.

APPLICATION FOR PUBLIC ASSISTANCE

SEC. 6. Application for public assistance shall be accepted from, or on behalf of, any person who believes himself eligible for public assistance. Such application shall be made in the manner and form prescribed by the Commissioners, and shall contain such information as the Commissioners shall require.

INVESTIGATION OF APPLICANT

SEC. 7. Whenever the Commissioners shall receive an application for public assistance, they shall promptly make an investigation and record of the circumstances of the applicant in order to ascertain the facts supporting the application and to obtain such other information as they may require.

AWARD AND PAYMENT OF PUBLIC ASSISTANCE

SEC. 8. (a) Upon completion of the investigation, the Commissioners shall determine whether the applicant is eligible for public assistance, the type and amount of public assistance for which he is eligible, and the date from which such public assistance shall begin, and shall furnish public assistance with reasonable promptness to all eligible

persons: *Provided*, That such date shall not be prior to the first day of the calendar month in which such determination is made.

(b) Money payments of public assistance shall be made by check, except that in emergency cases under section 10 of this Act, money payments of public assistance may be made in cash, and to accomplish such purpose the Commissioners are authorized to make necessary provisions for advancing from time to time to one or more officers or employees of the District such sum or sums as the Commissioners may determine: *Provided*, That no such advance shall be made to any such officer or employee who has not been previously bonded in such amount and form as the Commissioners shall determine.

RECIPIENT INCAPACITATED

SEC. 9. Whenever a recipient has been found by the Commissioners to be incapable of taking care of himself, his property, or his money, and a person has been judicially appointed as legal representative, or a responsible person has been appointed by the Commissioners, on behalf of such incapacitated individual for the purpose of receiving and managing such individual's public assistance payments (whether or not he is such individual's legal representative for other purposes), public assistance payments may be made on behalf of such individual to such judicially appointed legal representative, or to such responsible person appointed by the Commissioners.

EMERGENCY PUBLIC ASSISTANCE

SEC. 10. The Commissioners may grant emergency public assistance pending completion of investigation when eligibility has been established pursuant to section 4 of this Act: *Provided*, That such emergency assistance shall not be granted in any case for a period exceeding sixty days.

REDETERMINATION OF GRANTS

SEC. 11. All public assistance grants made under this Act shall be reconsidered by the Commissioners as frequently as they may deem necessary. After such further investigations as the Commissioners may deem necessary, the amount of public assistance may be changed, or may be entirely withdrawn, if the Commissioners find that any such grant has been made erroneously, or if they find that the recipient's circumstances have altered sufficiently to warrant such action. If at any time during the continuance of public assistance the recipient thereof becomes possessed of income or resources in excess of the amount previously reported by him, or if other changes should occur in the circumstances previously reported by him which would alter either his need or his eligibility, it shall be his duty to notify the Commissioners of such fact immediately on the receipt or possession of such additional income or resources, or on the change of circumstances.

RECORDS

SEC. 12. (a) The Commissioners are directed to prescribe regulations governing the custody, use, and preservation of the records, papers, files, and communications of the Commissioners relating to public assistance. Except as herein otherwise provided, such regulations shall provide safeguards restricting the use or disclosure of information concerning applicants for, or recipients of, public assistance to purposes directly connected with the administration of public assistance. The Commissioners shall include in such regulations provisions for the public to have access to the records of disbursement or payment of public assistance made after the effective date of this Act.

(b) No person who obtains information by virtue of any regulation made pursuant to subsection (a) of this section shall use such information for commercial or political purposes.

July 2, 1960

SENATE

8. FARM PROGRAM. Sen. Johnson criticized the farm program, stating that, "The basic aim of any farm program should be to create conditions under which the family-size farm can be operated at a reasonable profit," and called for better distribution and price support programs on a commodity-by-commodity basis, and agreement by farmers "on the programs that are best for them." pp. 14446-7
9. WHEAT. Sen. Carlson inserted and commended this Department's reply to his letter requesting a study "in regard to the relation of wheat to the rest of the economy," in which he was informed that such a study had been started and the results would be provided "as early as possible." He further commended Secretary Benson for his "prompt response to this request." pp. 14467-8
10. NOMINATION. Confirmed the nomination of Mr. Carl J. Stephens to be General Counsel of this Department. p. 14595
11. SUGAR. By a vote of 80 to 0, passed with amendment S. J. Res. 217, to give the President authority to determine the sugar quota for Cuba for the balance of the calendar year 1960 in such amounts as he shall find from time to time to be in the national interest. pp. 14532-3, 14533-4, 14546, 14549-53
12. PERSONNEL. Sen. Byrd, chairman, Joint Committee on Reduction of Nonessential Federal Expenditures, inserted a report of the committee, "Federal Personnel in Executive Branch, May 1960 and April 1960, and Pay, April 1960 and March 1960." pp. 14447-50
Sen. Bush inserted two articles criticizing the action of Congress in overriding the President's veto of the Federal employees pay raise bill.
pp. 14573-4
Passed as reported S. Res. 338, expressing the sense of the Senate "that individuals appointed to administrative and policymaking posts should be willing to serve for a period long enough to permit them to contribute effectively in their assigned tasks" and "that nominees appearing before its committees shall indicate their willingness to serve so long as the President desires."
pp. 14592-3
Passed as reported S. 3147, to provide for adjusting the interest rate payable on obligations of the U. S. purchased by the Civil Service Retirement and Disability Fund. p. 14589
13. ELECTRIFICATION. Sen. Goldwater inserted a report by Sen. Cotton on the accomplishments of the Federal Power Commission under the present administration (1953-60). pp. 14483-4
14. FARM LOANS. Sen. Goldwater commended the Farm Credit Administration and inserted a report by Sen. Allott on the accomplishments of the Farmers Home Administration during the present administration (1953-60). pp. 14484-5
15. PROCUREMENT. Sen. Goldwater commended the work of GSA and inserted a report by Sen. Prouty on GSA accomplishments during the present administration, which contains information on the stockpiling, surplus disposal, Federal supply, and other programs of the organization. pp. 14486-7
16. CONSERVATION. Sen. Mundt urged the selection of Secretary of Interior Seaton as the Vice Presidential candidate by the Republican party and inserted the text of his recent award for "distinguished, courageous service rendered in the conservation and management of the country's natural resources." p. 14490

17. MARGARINE. Sen. Fulbright inserted his statement which reviews the results of the Margarine Act passed in 1950, and calls the Act a "success" for the consumer and for the farmer. pp. 14490-1
18. SURPLUS COMMODITIES. Passed as reported S. 3146, to authorize the CCC to donate dairy products and other agricultural commodities for use in home economics courses. p. 14507
19. ACREAGE ALLOTMENTS. Passed without amendment S. 3533, to provide that the protection of cropland acreage and of diverted acreage used in determining acreage allotments and marketing quotas, that is provided by law under the Great Plains Conservation Program during the life of the contract, would be extended after termination of the contract for an additional period equal to the period of the contract. p. 14507
20. WILDLIFE. Passed as reported H. R. 12533, to amend the Migratory Bird Treaty Act so as to increase the penalties for violations of that act. pp. 14507-8
21. COTTON IMPORTS. Sen. Ervin criticized the Tariff Commission's recent decision that imports of cotton products were having no adverse effect on the cotton export subsidy program, calling it the result of the President's limiting the investigation to those imports which "render or tend to render ineffective, or materially interfere with the export subsidy program," and stating that the "case had been prejudiced from the beginning." He urged a Senate investigation of "this entire shameful incident," and was joined by several other Senators in his criticism. pp. 14521-7, 14529-31
22. FOREIGN TRADE. Sen. Javits urged Congress to consider legislation which would allow the Federal Government "to extend loans and allow tax incentives to business, extend technical and financial assistance to communities and provide retraining and relocation assistance to workers" when the President determines that such industry is suffering as the result of import competition. Sens. Aiken, Hartke, and Kuchel also discussed the problems involved in competition from foreign imports. pp. 14511-6
23. POPULATION. Sen. Hickenlooper inserted a speech by Mr. F. O. Wilcox, Assistant Secretary of State for International Organization Affairs, which states the need for increased financial and technical aid to underdeveloped countries as well as foreign trade as a result of the "population explosion" being experienced by these countries. He includes in his analysis a brief summary of the role the Food and Agriculture Organization of the U. N. should play in this program. pp. 14469-72
24. FOREIGN AFFAIRS. Sen. Hickenlooper inserted a report by Sen. Bridges, "U. S. Foreign Policy Under the Republican Administration -- 1953-60," which includes a review of the work of the administration in the Emergency Coffee Agreement and the International Food for Peace Conference. pp. 14472-3
Sen. Goldwater inserted a report by Sen. Bennett on the accomplishments of the Export-Import Bank during the present administration, which briefly covers the work of the Bank in assisting the sale of farm commodities abroad and the number and amount of loans the bank has made using Public Law 480 funds. pp. 14483-4
25. PERSONNEL. Passed as reported H. R. 7758, to improve the administration of overseas activities of the Government by providing for the establishment of a

coordinated and uniform system for more effectively compensating Government employees for additional costs, and for hardships and inconvenience, incident to their working assignments in overseas areas and providing for uniformity of treatment for all overseas employees to the extent justified by relative conditions of employment. pp. 14554-5

26. GOVERNMENT ORGANIZATION. Sen. Keating inserted a speech by Gov. Rockefeller which includes the Governor's recommendations as to reorganization in the executive branch. pp. 14476-8
27. LANDS. Sen. Goldwater criticized the Government Operations Committee for "kangaroo-court hearings on BLM practices," and stated that "the trust is that this Department is working with outdated public land laws." He continued by tracing the history of recent public land management bills and urging Congress to enact new land appraisal legislation. pp. 14481-2
Passed as reported S. 3247, to provide that payment for the lands covered by the Act of September 9, 1959 (Keosauqua, Iowa, lands) may be made on a deferred basis. pp. 14506-7
Passed as reported S. 3759, authorizing the Secretary of Agriculture to convey certain lands to Auburn University, Auburn, Ala. p. 14507
28. WEATHER MODIFICATION. Sen. Case, S. D., inserted the National Science Foundation's First Annual Report on Weather Modification which contains the results of research programs in cloud seeding to produce additional rainfall, and urged that research projects be continued over a 5-to-10 year period. pp. 14535-9
29. POSTAL SERVICE. Passed as reported H. R. 2339, to revise, codify, and enact into law title 39 of the U. S. Code, entitled "The Postal Service." pp. 14555-6
30. PASSED OVER the following bills:
H. R. 3758 to amend the Fair Labor Standards Act of 1938 to increase the minimum wage to \$1.25 and to increase the coverage of persons under the act (p. 14497);
H. R. 12326, the public works appropriation bill for 1961 (p. 14506); and
H. R. 8860, to stabilize the mining of lead and zinc by small domestic producers on public, Indian, and other lands (p. 14509).

*(This is a partial report; the balance of the proceedings for July 2 have not yet been printed.)

ITEMS IN APPENDIX

31. EXPENDITURES: ECONOMICS. Sen. Butler inserted his address, "The Influence of Federal Government On The National Economy." pp. A5744-7
32. SUGAR. Speeches in the House by Reps. Aspinall and Coffin during debate on the sugar bill. pp. A5754, A5782
33. BUDGET. Extension of remarks of Sen. Keating stating that "the Federal budget for fiscal year 1960 ... will show approximately a one-half billion dollar surplus" and inserting an article on the 1959-60 budget. pp. A5768-9
34. COTTON. Extension of remarks of Sen. Thurmond inserting two articles discussing the "adverse" effects of the cotton export subsidy program. p. A5781

35. PERSONNEL. Extension of remarks of Rep. Lankford expressing his gratification of action taken by the House to override the President's veto of the Federal employees pay bill. pp. A5782-3
36. TARIFFS. Extension of remarks of Rep. Van Zandt opposing any further reduction in tariff rates. pp. A5787-9
37. LABOR STANDARDS. Speech in the House by Rep. Gilbert during debate on the bill to amend the Fair Labor Standards Act to increase the minimum wage to \$1.25 per hour. p. A5792

BILLS INTRODUCED

38. FOOD RESERVE. S. 3812, by Sen. Humphrey, to establish a national security reserve for food, fiber, and biological oil commodities, and products thereof, for the purpose of protecting the United States against shortages of such commodities and products during national emergencies; to Armed Services Committee. Remarks of author. pp. 14462-3
39. WILDERNESS. S. 3809, by Sen. Murray, to establish a National Wilderness Preservation System for the permanent good of the whole people; to Interior and Insular Affairs Committee. Remarks of author. pp. 14451-462

BILL APPROVED BY THE PRESIDENT

40. APPROPRIATIONS. H. J. Res. 778, making temporary appropriations for the fiscal year 1961. Approved July 2, 1960 (Public Law 86-569, 86th Congress).

government, in language which will be understood. We cannot submit to further blackmail. We cannot allow a strutting and irresponsible leader of a foreign country to dictate our internal policy and challenge our national integrity. We have lost enough prestige around the world already.

Castro has warned that any cut in the Cuban sugar quota will result in wholesale confiscation of property there which is owned or managed by Americans. Already more than \$500 million in American investments has been confiscated, and there is no hint of repayment. What have we got to lose?

America can well use the Cuban sugar quota to expand its own domestic production and to improve relations with some of our friends in Latin America who do not now have a sugar quota. My own state of Utah would welcome the opportunity to expand sugar production to meet domestic consumption levels, and I know many other Western and Southern sugar-producing States would feel the same.

POLITICAL STABILITY AND ECONOMIC WELFARE OF LATIN-AMERICAN NATIONS

Mr. KEFAUVER. The political stability and economic welfare of all Latin American nations have always been regarded as being of vital interest to the people of the United States. Over the years we have come to regard our sister American republics as our full partners in the American community. We have not only accepted but we have encouraged others to accept the concept of collective responsibility for the solutions of inter-American problems, whether economic or military.

It is a matter of deep concern to all Americans that on the island of Cuba—at our very doorstep—the Castro regime has taken advantage of the legitimate hopes and aspirations of the Cuban people only to victimize them and to create a threat to peace in the Western Hemisphere. It is now obvious that Fidel Castro has brought about conditions leading to the complete economic and political slavery of the Cuban people and which, if unchecked, may spread to other nations in the Western Hemisphere.

The Cuban people suffered long and deeply under the cruel excesses of Dictator Batista. They had every right to hope—as did freedom-loving people everywhere—that better things were in store for them when Castro, loudly proclaiming his belief in democracy, captured the imagination of the Latin American people in his successful campaign to overthrow the oppressive Batista regime.

These hopes have been dashed upon the rocks. Castro has unmasked himself before the world as the willing tool, if not an active advocate, of international communism. The right of free speech, the right to own property, and other freedoms which we all too often take for granted are rapidly vanishing from the scene on the island of Cuba.

It is time that the U.S. Government and the American people looked realistically at the infiltration of communism in Cuba, and it is time we took positive action to combat it.

The policy of patience and forbearance which was followed by the Eisen-

hower administration in the face of the early anti-United States tirades by Castro and his henchmen was commendable. Precipitant action taken unilaterally by the United States would undoubtedly have caused resentment and suspicion not only on the part of the Cuban people but on the part of others throughout the Western Hemisphere.

Tennessee's own great Cordell Hull recognized during the thirties that the time had passed when the problems of Latin America could or should be solved by sending a contingent of U.S. Marines. And so Cordell Hull, displaying the wisdom and foresight of which all Tennesseans are proud, launched our good neighbor policy, designed to promote our economic and cultural ties with our Latin American friends on the basis of cooperative effort beneficial both to us and to them. The Cordell Hull Good-Neighbor Policy must remain the cornerstone of our Latin American policy. We can and we must deal with the Cuban situation within the framework of that policy.

The admirable qualities of patience and forbearance which have characterized our policy with respect to Castro have served their purpose. But patience and forbearance are no longer sufficient. Such a policy, standing alone, no longer serves the interests of either the United States or of the Cuban people.

Day by day the situation in Cuba becomes increasingly ominous. Economic ties with the Soviet Union, publicly proclaimed, are coupled with rumors of prospective military ties and with outright hostile acts against U.S. naval forces.

We must take into consideration the possibility of the establishment of Russian military bases on Cuban soil. I am not now predicting that such will occur. But so far as I am concerned the establishment of a Russian missile base, air base or naval base in Cuba would constitute a violation of the Monroe Doctrine under which the United States has for a century and a half made clear our determination to repeal any effort by any outside predatory nation to engulf any part of the Western Hemisphere. Neither Castro nor Khrushchev should be left in any doubt as to the consequences of such action.

Three months ago, in a speech on the floor of the U.S. Senate, I sounded a clear warning that a revision of United States-Cuban policy was required. I pointed out then, as I point out now, that it is not enough merely to deplore the extreme measures being taken by Castro. It is not enough merely to deny his outrageous charges against the United States. We need more than a negative policy. We must formulate and implement a positive program of action.

By positive action I do not mean, sending the Marines. Nor do I suggest that our Government should wage unrestricted economic warfare against the Cuban people. On the contrary, we must proceed in concert with other Latin American countries whose stability and security are at stake and against some of which Castro has already deliberately sought to stir up dissension and revolt.

Building upon the Cordell Hull Good Neighbor Policy, we took the lead in establishing the Organization of American States as a vehicle for solving mutual problems through cooperative effort. Recently our Government presented to OAS a well documented complaint exposing Castro's deliberate anti-United States campaign. But here again it is not enough merely to make clear what has occurred. We must propose within the OAS a positive course of action to be undertaken under the auspices of OAS in the interests of peace and security.

I urge President Eisenhower to take such action. Consideration should also be given to using the facilities of the United Nations to forestall action which would imperil world peace, as Castro's attitude becomes increasingly belligerent and threatening.

The Congress should give to the President the authority to revise Cuban sugar quotas with the understanding that this authority will be used, if at all, not as an act of economic hostility against the Cuban people, but only if the exigencies of the situation require it, and certainly our other friends in OAS should be consulted about this.

Action by our Government to counter the threat of the Castro brand of communism should be taken promptly and after deliberate consideration. We can no longer safely rely on the hope that Castro will collapse or disappear if we merely continue to turn the other cheek.

SELF-EMPLOYED INDIVIDUALS TAX RETIREMENT ACT OF 1960

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point in my remarks a statement in regard to H.R. 10.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BYRD OF VIRGINIA

I wish to make a short statement for the RECORD relative to H.R. 10 which is generally referred to as a "bill to encourage the establishment of voluntary pension plans by self-employed individuals."

I could not support this bill as it was passed by the House of Representatives. But amendments adopted by the Senate Finance Committee removed the principal objections.

Objectionable features in the bill as it was passed by the House included the following provisions:

- (1) It gave tax advantages for the exclusive benefit of employers.
- (2) It did not require establishing non-discriminatory plans covering eligible employees.
- (3) It created substantial tax differences between self-employed retirement programs and corporate qualified pension plans.
- (4) It established an undesirable precedent allowing individual tax deductions for retirement savings.
- (5) It involved a revenue loss of approximately \$365 million a year.

As chairman of the Senate Finance Committee, I requested the Treasury Department, in cooperation with the staff of the Joint Committee on Internal Revenue Taxation, to search for a better approach to the treatment of the retirement savings of self-employed people.

The bill now before the Senate is the result of that dual study. It also reflects

new information developed through the committee hearings held in May of this year.

The Treasury estimates that the revenue cost of extending retirement plans coverage to self-employed under this amended bill will range between \$150 million and \$250 million annually, as compared with \$365 million under the bill as passed by the House.

And in this connection, this cost is to be offset in considerable measure by an anticipated increase in revenue resulting from changes in the corporate area.

Without going into details the pending bill, as amended by the Finance Committee, differs from the bill as it passed the House in the following major respects:

(1) Self-employed may participate in their own qualified pension plan only if the plan includes their employees—and is nondiscriminatory as to coverage, contributions, and benefits.

(2) The basic deduction allowable each year is patterned on the original H.R. 10 formula—10 percent of earnings up to \$2,500 a year. However, the Senate Finance Committee bill uses "earned income" as the base, which generally will be less than "self-employment income" used in the original version.

(3) The basic formula of 10 percent of earned income up to \$2,500 is not increased for persons over 50 years of age. The original version raised the percentage and dollar limitations between years 50 and 70.

(4) The original bill contained a total lifetime limitation of \$50,000 for contributions on behalf of each self-employed person. This limitation has been eliminated in view of other restrictions inserted in the amended bill.

There is another aspect of the committee bill which should be mentioned. It places additional restrictions on corporate pension plans when a covered employee is owner of more than 10 percent of the corporation's stock. This would prevent unwarranted tax advantages for a few individual stockholders.

The Finance Committee report on this bill supports the belief that it is in the public interest to extend coverage of individuals under voluntary retirement plan as a means of discouraging complete reliance on local, State or Federal Government for assistance.

The same general privileges and restrictions should apply, whether plans are established by proprietors, partnerships or corporations.

It is for this reason that the committee bill provides that self-employed persons may participate in their own qualified pension plan only if the plan includes their employees—and with respect to employees the plan shall be nondiscriminatory, percentage-wise, as to coverage, contributions and benefits.

The best information available to the committee indicated some 20 million persons would be affected by this bill—10 million self-employed, and 10 million employees of the self-employed.

Representatives of the self-employed persons throughout the Nation have been seeking this type of legislation since 1951, and various bills which should accomplish this purpose have been introduced over the past 10 years.

I believe the committee bill is the best approach to the problem proposed to date. It will reach individuals in a wide variety of trades and professions in a reasonable manner and within a pattern already existing in the Internal Revenue Code.

Under these circumstances I am prepared to support the bill (H.R. 10) as amended and reported by the Senate Finance Committee.

GLORIA ANNE LOVEDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the

Senate proceed to the consideration of Calendar No. 1524, H.R. 7895.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 7895) for the relief of Gloria Anne Loveday.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President. The purpose of the bill is to enable Gloria Anne Loveday to qualify for an immigrant visa under the quota for Great Britain, of which country she is a citizen.

It was objected to on the calendar, but objection has since been removed.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H.R. 7895) was ordered to a third reading, read the third time, and passed.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. FULBRIGHT. I move to lay the motion to reconsider on the table.

The motion to lay on the table the motion to reconsider was agreed to.

CONVEYANCE OF CERTAIN PROPERTY IN THE CITY OF FLANDREAU, S. DAK.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1691, Senate bill 2709.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2709) directing the Secretary of the Interior to convey to the city of Flandreau, S. Dak., any interest remaining in the United States to certain property which it conveyed to such city by the act of August 21, 1916.

The PRESIDING OFFICER. The question is on the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, the bill was called on the calendar. Objection was made on the ground that it did not comply with the Morse formula. The Senator from South Dakota [Mr. MUNDT] has an amendment embodying the Morse formula which he proposes to offer.

Mr. MUNDT. Mr. President, I offer an amendment which I send to the desk in behalf of the Senator from Oregon [Mr. MORSE], and ask to have it stated.

The PRESIDING OFFICER. The amendment offered by the Senator from South Dakota will be stated.

The LEGISLATIVE CLERK. On page 1, line 4, it is proposed to strike out "without consideration." At the end

of the bill it is proposed to add the following new section:

SEC. 2. The conveyance authorized by the first section of this Act shall be conditional upon the State of South Dakota paying to the United States 50 per centum of the fair market value, as determined by the Secretary of the Interior, of any interest (including any reversionary interest) held by the United States in the property conveyed.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment was agreed to. The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. MUNDT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

IMPROVEMENT OF ADMINISTRATION OF OVERSEA ACTIVITIES

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1710, H.R. 7758.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 7758) to improve the administration of oversea activities of the Government of the United States, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Post Office and Civil Service, with amendments, on page 5, at the beginning of line 3, to insert "The head of the Government agency concerned may, in accordance with regulations of the President, waive in whole or in part any right of recovery under this section, if it is shown that such recovery would be against equity and good conscience or against the public interest."; on page 7, line 14, after the word "of", to strike out "transportation" and insert "travel"; on page 8, line 6, after the word "The", to strike out "cost of transporting" and insert "travel expenses of"; in line 16, after the word "Act", to strike out "transportation" and insert "travel expenses"; on page 24, line 9, after "443", to strike out "901 (1) and (2)."; in line 12, after "888", to strike out "1131.", and on page 27, after line 10, to insert:

(7) Section 901 of the Foreign Service Act of 1946, as amended (22 U.S.C. 1131), is amended to read as follows:

"REPRESENTATION ALLOWANCES

"Sec. 901. In accordance with such regulations as the President may prescribe and notwithstanding the provisions of section 1765 of the Revised Statutes (5 U.S.C. 70), the Secretary is authorized to grant to any officer or employee of the Service who is a citizen of the United States allowances in order to provide for the proper representation of the United States by officers or employees of the Service."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. JOHNSON of Texas. Mr. President, I believe the Senator from South Carolina will explain the bill.

Mr. JOHNSTON of South Carolina. The purpose of the bill is to improve and strengthen Government overseas activities by establishing a uniform system for compensating all Government employees in overseas posts irrespective of the agency by which they are employed. The bill would provide uniformity of treatment for all overseas employees to the extent justified by relative conditions of employment. Current applicable laws do not provide this uniformity.

The committee has very carefully studied the provisions of the bill and has unanimously reported it to the Senate. It was requested by the administration.

Mr. CARLSON. The chairman of the Committee on Post Office and Civil Service has accurately stated the purposes of the bill. It has the approval of every agency of Government. I sincerely hope it will be passed.

Mr. FULBRIGHT. That is what I was going to inquire about. Does it have the approval of the State Department?

Mr. JOHNSTON of South Carolina. Yes. The administration sent the bill to us, and they recommended it. We introduced it at their request.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 7758) was read the third time, and passed.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. JOHNSTON of South Carolina. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

REVISION AND CODIFICATION OF TITLE 39, UNITED STATES CODE, ENTITLED "THE POSTAL SERVICE"

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1334, H.R. 2339.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 2339), to revise, codify, and enact into law, title 39, of the United States Code, entitled "The Postal Service."

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with amendments.

Mr. ERVIN. Mr. President, the bill would revise, codify, and re-enact the laws relating to the postal service. It has twice passed the House, once in the 85th Congress, and again in this Congress. We inserted in the CONGRESSIONAL RECORD a notice of a hearing by the Subcommittee on Revision and Codification of the Committee on the Judiciary, notifying all interested persons of the hearing on the bill. All persons who requested a hearing by the subcommittee were consulted. All of their suggestions have been accepted or reconciled, with the consent of the postal authorities.

The postal laws have not been codified for approximately 90 years. The bill brings forward and codifies the postal laws in one place. I have been assured by the General Counsel for the Post Office Department that there has been no change of substance in the proposed codification, and that this codification merely eliminates some statutes which have become obsolete with the passage of the years, and rephrases in simpler language some of the most difficult passages in the laws relating to the public service, but makes no substantive change in the laws.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ERVIN. I yield.

Mr. HUMPHREY. I merely wish the RECORD to show that whenever I see a bill whose purpose is to revise and codify and enact into law certain statutes which are already on the books, with only what we call slight revision and no substantive change, I am always suspicious.

The reason why I am suspicious is that every codification of law that we have had in the last 8 years has had a few sneakers in it.

While I shall not debate the issue at this time, I wish to be recorded as being against the bill. It is not because I do not have faith in the Senator from North Carolina. He is a distinguished and able Senator, and I would very much like to accept his expression of faith in the bill. However, he relies upon the General Counsel for the Post Office Department, and the General Counsel for the Post Office Department wrote some words in connection with the bill which are subject to some interpretation. I believe he said that there was no substantive change—

Mr. ERVIN. No change of substance. Mr. HUMPHREY. No change of substance. What was the "but" phrase?

Mr. ERVIN. The General Counsel declares that the codification under consideration merely eliminates some statutes which have become obsolete with the passage of the years, and in some instances rewrites some of the old statutes so as to make them simpler. That is the assurance I have received from the General Counsel. That is the conclusion the House committee came to after passing on the matter twice, once at this session and once in a previous Congress. I made numerous spot checks,

I will not guarantee to the Senator from Minnesota or anyone else that a bill of this magnitude does not make any change in any of its sections.

Mr. HUMPHREY. I understand.

Mr. ERVIN. I have done the best I could to spot-check various sections of the bill, and the staff has interviewed all the interested parties, including those who have interest adverse to those of the Post Office Department. From all the assurances and from my own spot checks I am satisfied that this bill constitutes a mere codification and that its enactment is necessary, because a codification of these laws has not been made in about 88 years.

Mr. HUMPHREY. I understood the Senator to say that he had contacted parties of persons who had what might be called in legal terminology an adverse interest.

Mr. ERVIN. Such as the American Railway Express Co.

Mr. HUMPHREY. Individuals or companies who do not have the same position as the Post Office Department, and they have no objections.

Mr. ERVIN. In the case of objections, those things have been ironed out.

Mr. HUMPHREY. The other day in the Committee on Agriculture and Forestry, we had before us a sort of recodification of the Farm Home Administration Act. When we got down to it with a microscope and started to examine the fine print—like one of those old-fashioned insurance policies, before the Hughes investigation around 1915, or whenever it was—we found some language in it which literally did not conform with the express purposes of the act.

Every time I hear the word recodification or codification, it reminds me of a cod, and whenever we have that kind of cod lying around here, it begins to smell bad.

However, I will take the Senator's word for it, because I know he is meticulous. At the same time I wish to raise a flag of caution to my colleagues. I make a wager right now that before long we will find that the recodification was not merely a normal gathering together of the children into the fold, but that something else happened along the way. I thank the Senator for his explanation.

Mr. ERVIN. Since the bill passed the House, a number of technical errors have been discovered, and there are a large number of Senate committee amendments curing these technical errors. To save the expense of printing, I ask unanimous consent that the amendments, which are technical in form, be not printed in the CONGRESSIONAL RECORD. This is a course of action which has been taken on several occasions on codification bills.

Mr. President, I ask unanimous consent that the amendments not be printed in the RECORD.

I further ask unanimous consent that the amendments be voted upon en bloc.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Carolina that the amend-

ments not be printed in the RECORD? The Chair hears none, and it is so ordered.

Is there objection to the consideration of the amendments en bloc? The Chair hears none, and the amendments are agreed to en bloc.

The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 2339) was passed.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. HILL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PAYMENTS TO BERNALILLO COUNTY, N. MEX., FOR FURNISHING HOSPITAL CARE FOR CERTAIN INDIANS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of H.R. 11545.

The PRESIDING OFFICER laid before the Senate the bill (H.R. 11545) to amend the act of October 31, 1949, with respect to payments to Bernalillo County, N. Mex., for furnishing hospital care for certain Indians, which was read twice by its title.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement explaining the purpose of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The legislation is in the nature of emergency legislation.

The construction of the Bernalillo County Hospital was authorized by Public Law 438, 81st Congress, as a joint venture between the Federal Government and Bernalillo County, State of New Mexico. The Federal Government contributed \$1,500,000 and the land, while Bernalillo County provided such additional funds as were required to complete the construction and equipping of the hospital.

Public Law 438 stipulated that the county make available when required not less than 100 beds for Indians; it further provided for reimbursing the county of Bernalillo for hospital and medical services to Indians at rates not in excess of the annual per diem cost of operation and maintenance of the entire hospital, but in no event was the amount of such payment to be less than the average per diem cost of operation and maintenance for 80 percent of the beds required to be made available. The 100 beds made available at the hospital for the care of Indians are needed to provide such care pending the completion of the construction of a proposed new Indian hospital at Gallup, N. Mex. The requirement under Public Law 438, 81st Congress (which was extended until June 30, 1960, by Public Law 249, 85th Cong.), that the amount of the payment

made to the Bernalillo County Hospital shall in no event be less than the average annual per diem cost of operation and maintenance for 80 percent of the beds required to be made available for Indians is due to expire on June 30, 1960.

The Department of Health, Education, and Welfare has informed the committee that average occupancy by Indians has exceeded 80 percent of the 100 beds required to be made available. Until completion of the Gallup Hospital, bed utilization is expected to continue at a rate in excess of 80 percent. The bill, as passed by the House, would extend until June 30, 1961, the provision for minimum payment, while not affecting the authority to make payments on a per diem basis for beds actually occupied.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 11545) was ordered to a third reading, read the third time, and passed.

STATE DEPARTMENT'S REORGANIZATION OF DISARMAMENT OFFICE

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD a letter I received recently from Mr. William Macomber, Assistant Secretary of State for Congressional Affairs. The letter gives some specific information about an enlarged office for disarmament in the State Department. This expansion was to take place regardless of whether Congress appropriated some \$400,000 for disarmament studies. I am pleased that the Senate has appropriated these vitally needed funds. I hope the funds will be agreed to by the conference committee on the State Department's appropriation.

What is also interesting about the letter from Mr. Macomber is that it states flatly that the reorganization will be completed and fully active by the end of June. Some enterprising reporter ought to write a story on this development, because I believe he and the public would be surprised. I think he will find that the letter at best is unduly optimistic. There is, to be sure, office space allocated for an expansion of the disarmament office, but to my knowledge the additional rooms, as yet, have no occupants. Perhaps when Congress reconvenes in August I shall have more of a progress report to issue.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, June 17, 1960.

The Honorable HUBERT H. HUMPHREY,
U.S. Senate.

DEAR SENATOR HUMPHREY: The Secretary of State had already left town for a brief period of leave when we received your letter of June 9, 1960, raising certain questions with respect to our plans and budget for the establishment of a special disarmament organization. It has been discussed with him on the telephone and he has asked me to respond to it on his behalf.

In our fiscal year 1961 budget submission now pending with the Congress it was stated: "One of our most serious deficiencies in the approach to disarmament has been the absence of orderly planning to meet the highly technical and complex problems which face

the United States in the general field of disarmament. The rapid and continuing changes in weapons systems make it imperative that the U.S. Government establish disarmament planning and studies on a permanent basis to provide continuing analysis and review of disarmament policy in the light of developments in the political, economic, military and technical fields.

"A review of the U.S. disarmament policy has been undertaken by a Joint Disarmament Study Group, headed by Mr. Charles A. Coolidge. The Coolidge study to date clearly indicates the necessity for a continuing disarmament planning and studies group with staff contributed by State, Defense, AEC, CIA and other appropriate agencies. It is hoped that this group would be assisted by outside agencies. Upon the completion of this present study 13 positions, contributed to the joint study by the Department of State will be used to form the nucleus of a permanent study group with continuing staff contributions from other agencies. An additional five positions are required for fiscal year 1961 to provide a permanent study director and supporting staff. These positions consist of a GS-18 study director, three GS-15 officers and one secretary. In addition, the fiscal year 1961 budget request includes an increase of \$400,000 to be expended for disarmament studies and \$43,270 for the employment and travel of technical consultants.

Since this budget document was prepared last fall, our plans with respect to disarmament organization have continued to evolve. It is our present belief that the organization should be established at a level within the Department high enough to provide the stature necessary for effective interdepartmental leadership. The GS-18 study director mentioned in our budget request no longer reflects the level or kind of position we now have in mind. However, we believe that existing legislative authority available to the executive branch is sufficient to permit the establishment of a senior position such as we have in mind and to support it financially in fiscal year 1961.

The 18 positions referred to in the budget request, together with those which will be contributed by the Department of Defense, the Atomic Energy Commission and possibly other departments and agencies will, we believe, be adequate to launch the new organization. Should experience indicate that additional personnel are required in fiscal year 1961, the Department is prepared to divert personnel and financial resources to this activity.

A nucleus of qualified officers is being established to take the necessary steps to activate the establishment of the disarmament plans and studies organization. It is our hope that the nucleus will be fully activated by the end of June.

The Secretary has asked me to tell you that he will be pleased to discuss this matter with you personally at some mutually convenient time, should you desire. He very much appreciates your interest and support in strengthening the disarmament organization in the executive branch.

Sincerely yours,
WILLIAM B. MACOMBER, Jr.,
Assistant Secretary.

HEALTH CARE FOR THE AGED

Mr. HUMPHREY. Mr. President, I recently received a letter from Irving Kane, president of the Council of Jewish Federations and Welfare Funds, urging action by the Senate on legislation to provide health services for the aged through the use of old-age and survivors disability insurance.

I support such legislation and I intend to continue my efforts for Senate ap-

Aug 26, 1960

14. PERSONNEL. Agreed to Senate amendments to H. R. 7758, to improve the administration of overseas Government activities by providing for the establishment of a coordinated and uniform system for more effectively compensating Government employees for additional costs, and for hardships and inconvenience, incident to their working assignments in overseas areas and providing for uniformity of treatment for all overseas employees to the extent justified by relative conditions of employment. This bill will now be sent to the President. p. 16631
15. FOREIGN SERVICE. Received the conference report on S. 2633, to amend the Foreign Service Act of 1946, relating to Foreign Service Staff Officers and to the Foreign Service retirement system (H. Rept 2633), pp. 16631-8
16. OLD-AGE ASSISTANCE. By a vote of 368 to 17, agreed to the conference report on H. R. 12580, to provide Federal grants to States for medical care for aged individuals of low income. pp. 16655-66
17. COPYRIGHTS. Agreed to Senate amendments to H. R. 4059, to amend title 28 of the U. S. Code so as to protect copyrights from Government infringement by waiving the sovereign immunity of the U. S. for infringement of copyrights. This bill will now be sent to the President. p. 16673
18. WILDLIFE. Agreed to the Senate amendments to H. R. 12533, to amend the Migratory Bird Treaty Act to increase the penalties for violation of that Act. This bill will now be sent to the President. pp. 16673-4
- House conferees were appointed on H. R. 2565, to promote effectual planning, development, maintenance, and coordination of wildlife, fish, and game conservation and rehabilitation in military reservations (p. 16674). Senate conferees have not been appointed.
- Rep. Reuss called the attention of Congress to an agreement between Interior and this Department regarding the drainage of potholes which are the breeding habitat of wild ducks. pp. 16696-7
19. TRANSPORTATION. House conferees were appointed on H. R. 5068, to amend the Shipping Act of 1916, to provide for licensing independent foreign freight forwarders. (p. 16674) Senate conferees have not been appointed.
20. TEXTILES; IMPORTS. Rep. Brown, Ga., criticized the Tariff Commission's decision on cotton imports and called on Congress to "act to make our foreign trade policy truly reciprocal" and to "prevent basic American industries... from being sacrificed to foreign policy." pp. 16686-7
- Rep. Bailey criticized "internationalists" for "trying to buy friendship abroad at the expense of American industry and American worker's jobs" and requested that Congress materially change or completely junk the Reciprocal Trade Agreements Act. pp. 16694-6
21. LANDS. The Interior and Insular Affairs Committee reported without amendment H. R. 12091, to further amend the Act authorizing the conveyance of certain Agricultural Research Service lands to Miles City, Mont., in order to extend for one year the authority under such Act (H. Rept. 2168). p. 16712
22. WATERSHEDS. The Agriculture Committee approved watershed projects in Okla., Miss., N. Mex., and Colo. p. D724

23. RECLAMATION. The Irrigation and Reclamation Subcommittee of the Interior and Insular Affairs Committee voted to report to the full committee the following bills: p. D725
- S. 2195, to authorize the Secretary of the Interior to construct, operate, and maintain the western division of the Dalles Federal reclamation project, Ore.;
- H. R. 10311 (amended), providing that certain provisions of Public Law 335 dated Oct. 7, 1949, shall apply to the Merced division of the lower Rio Grande rehabilitation project; and
- S. 1092, to provide for the construction of the Cheney division, Wichita Federal reclamation project, Kansas.
24. LEGISLATIVE PROGRAM. The "Daily digest" states that the program for next week will include the Consent and Private Calendars for Tuesday. p. D726
25. ADJOURNED until Mon., Aug. 29.

SENATE - AUG. 27

26. SECOND SUPPLEMENTAL APPROPRIATION BILL, 1961. The Appropriations Committee reported with amendments this bill, H. R. 13161 (S. Rept. 1925)(p. 16716). Agreed to a unanimous consent request by Sen. Johnson for consideration of this bill on Mon., Aug. 29 (p. 16673). (See end of this Digest for statement of actions.)
27. SURPLUS COMMODITIES; FOREIGN AID. Agreed to without amendment S. Con. Res. 116, to express the support of Congress for the continued exploration by the President with other nations for the establishment of an international food program for the purpose of furnishing food to needy nations. pp. 16815-6
28. NOMINATION. Confirmed the nomination of Carl J. Stephens, General Counsel of the Department, to be a member of the CCC Board of Directors. p. 16761
29. PERSONNEL. The Labor and Public Welfare Committee reported without amendment H. R. 12383, to amend the Federal Employees Compensation Act to make the benefits under the Act more realistic in terms of present wage rates (S. Rept. 1924). p. 16716
- Sen. Clark submitted an amendment which he intends to propose to H. R. 7835, relating to the income tax treatment of nonrefundable capital contributions to the Federal National Mortgage Association, which he stated would permit Federal agencies to deduct municipal wage taxes from employees of Federal agencies who work within a municipality which levies a wage tax. pp. 16733-4
30. OLD-AGE ASSISTANCE. Continued debate on H. R. 12580, to provide Federal grants to States for medical care for aged individuals of low income. pp. 16740-5, 16746-61, 16737-315
31. BREAD PRICES. Sen. Kefauver submitted the report of the Judiciary Committee, "Administered Prices - Bread," together with minority and individual views (S. Rept. 1923). p. 16716

in obtaining a license and for rehearings under such act," with amendments.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 11207) entitled "An act to amend the Small Business Act so as to authorize an additional \$150 million for loans to small businesses, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. FULBRIGHT, Mr. SPARKMAN, Mr. PROXMIER, Mr. BYRD of West Virginia, Mr. CAPEHART, and Mr. BENNETT to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6597) entitled "An act to revise the boundaries of Dinosaur National Monument and to provide an entrance road or roads thereto, and for other purposes."

The message also announced the appointment of the Senator from South Dakota [Mr. MUNDT] as conferee on the bill (S. 690) entitled "An act to provide for the increased use of agricultural products for industrial purposes" in place of the Senator from Iowa [Mr. HICKENLOOPER], excused.

IMPROVING ADMINISTRATION OF OVERSEA ACTIVITIES OF THE GOVERNMENT OF THE UNITED STATES

Mr. DAVIS of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 7758) to improve the administration of oversea activities of the Government of the United States, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 3, after "That" insert "titles I to V, inclusive, of".

Page 5, after line 1, insert "The head of the Government agency concerned may, in accordance with regulations of the President, waive in whole or in part any right of recovery under this section, if it is shown that such recovery would be against equity and good conscience or against the public interest."

Page 7, lines 7 and 8, strike out "transportation" and insert "travel".

Page 7, line 24, strike out "cost of transporting" and insert "travel expenses of".

Page 8, line 9, strike out "transportation" and insert "travel expenses".

Page 23, line 20, strike out "901 (1) and (2)".

Page 23, line 23, strike out "1131."

Page 26, after line 19, insert:

"(7) Section 901 of the Foreign Service Act of 1946, as amended (22 U.S.C. 1131), is amended to read as follows:

"REPRESENTATION ALLOWANCES

"Sec. 901. In accordance with such regulations as the President may prescribe and notwithstanding the provisions of section 1765 of the Revised Statutes (5 U.S.C. 70), the Secretary is authorized to grant to any officer or employee of the Service who is a citizen of the United States allowances in order to provide for the proper representa-

tion of the United States by officers or employees of the Service."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

SECOND SUPPLEMENTAL APPROPRIATION BILL, 1961

Mr. THOMAS, from the Committee on Appropriations, reported the bill (H.R. 13161) making supplemental appropriations for the fiscal year ending June 30, 1961, and for other purposes (Rept. No. 2166), which was read a first and second time, and, with the accompanying paper, referred to the Committee of the Whole House on the State of the Union, and ordered to be printed.

Mr. BOW reserved all points of order.

COMMITTEE ON FOREIGN AFFAIRS

Mr. HAYS. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have until midnight tonight to file a report on the bill S. 2633, to amend the Foreign Service Act of 1946, as amended, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

CONFERENCE REPORT (H. REPT. No. 2633)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2633) to amend the Foreign Service Act of 1946, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: Strike out all after the enacting clause and insert "That this Act may be cited as the 'Foreign Service Act Amendments of 1960'."

"Sec. 2. Section 416 of the Foreign Service Act of 1946, as amended, is amended to read as follows:

"SEC. 416. (a) A person appointed as a staff officer or employee shall receive basic salary at one of the rates of the class to which he is appointed which the Secretary shall, taking into account his qualifications and experience and the needs of the Service, determine to be appropriate for him to receive.

"(b) Whenever the Secretary determines that the needs of the Service warrant the appointment of staff officers or employees in a particular occupational group uniformly at a rate above the minimum rate of the applicable class, he may adjust the basic salary of any staff officer or employee in the same class and occupational group who is receiving less than such established rate."

"Sec. 3. Section 417 of such Act is amended by striking out '(b)' in the first sentence.

"Sec. 4. Section 431 of such Act is amended by striking out in the first sentence of paragraph (a) the phrase 'the termination of time spent on authorized leave, whichever shall be later,' and inserting in lieu thereof

the phrase 'upon termination of his service in accordance with the provisions of paragraph (b) of this section,'; and by amending paragraph (b) of this section to read as follows:

"(b) The official services of a chief of mission shall not be deemed terminated by the appointment of a successor but shall continue until he has relinquished charge of the mission and for such additional period as may be determined by the Secretary, but in no case shall such additional period exceed fifty days, including time spent in transit. During such period the Secretary may require him to render such services as he may deem necessary in the interests of the Government."

"Sec. 5. Section 441 of such Act and the heading to such section are amended to read as follows:

"CLASSIFICATION OF POSITIONS IN THE FOREIGN SERVICE AND IN THE DEPARTMENT

"SEC. 441. (a) Under such regulations as he may prescribe, and in order to facilitate effective management, the Secretary shall classify all positions in the Service at posts abroad, excluding positions to be occupied by chiefs of mission, and in the case of those occupied by Foreign Service officers, Reserve officers, and staff officers and employees, he shall establish such positions in relation to the classes established by sections 412, 414, and 415, respectively. Positions occupied by alien employees and consular agents, respectively, shall be allocated to such classes as the Secretary may establish by regulation.

"(b) Under such regulations as he may prescribe, the Secretary may, notwithstanding the provisions of the Classification Act of 1949, as amended (5 U.S.C. 1071 and the following), classify positions in or under the Department which he designates as Foreign Service Officer positions to be occupied by officers and employees of the Service, and establish such positions in relation to the classes established by sections 412, 414, and 415."

"Sec. 6. Section 444 of such Act and the heading to such section are amended to read as follows:

"COMPENSATION PLANS FOR ALIEN EMPLOYEES

"SEC. 444. (a) The Secretary shall, in accordance with such regulations as he may prescribe, establish compensation plans for alien employees of the Service: *Provided*, That such compensation plans shall be based upon prevailing wage rates and compensation practices for corresponding types of positions in the locality, to the extent consistent with the public interest.

"(b) For the purpose of performing functions abroad, other Government agencies are authorized to administer alien employee programs in accordance with the applicable provisions of this Act."

"SEC. 7. Title V of such Act is amended by adding at the beginning thereof the following new section:

"POLICY

"SEC. 500. It is the policy of the Congress that chiefs of mission and Foreign Service officers appointed or assigned to serve the United States in foreign countries shall have, to the maximum practicable extent, among their qualifications, a useful knowledge of the principal language or dialect of the country in which they are to serve, and knowledge and understanding of the history, the culture, the economic and political institutions, and the interests of such country and its people."

"Sec. 8. (a) The heading to section 516 of such Act is amended to read as follows: 'ADMISSION TO CLASS 7 OR 8'.

"(b) Section 516 of such Act is amended by striking out 'Sec. 516,' and inserting in lieu thereof 'Sec. 516. (a)' and by adding at

the end thereof a new paragraph (b) which shall read as follows:

"(b) The Secretary may furnish the President with the names of those persons who have passed such examinations and are eligible for appointment as Foreign Service officers of class 8, whom he recommends for appointment directly to class 7 when in his opinion, their age, experience, or other qualifications make such an appointment appropriate."

"Sec. 9. (a) Section 517 of such Act is amended by striking out the words 'A person who has not served in class 8' which appear at the beginning of the first sentence, and inserting in place thereof the following: 'A person who has not been appointed as a Foreign Service officer in accordance with section 516 of this Act'."

"(b) Section 517 of such Act is further amended by striking out the second and third sentences of such section."

"Sec. 10. (a) The heading to section 520 of such Act is amended by striking out the phrase 'REINSTATEMENT AND RECALL' and substituting in lieu thereof the phrase 'REAPPOINTMENT, RECALL, OR REEMPLOYMENT'."

"(b) The first sentence of paragraph (a) of section 520 of such Act is amended by inserting a period after the word 'Service' where it appears for the third time, and by striking out the remainder of that sentence."

"(c) Paragraph (b) of section 520 of such Act is amended to read as follows:

"(b) The Secretary may recall any retired Foreign Service officer temporarily to duty in the Service whenever he shall determine such recall is in the public interest."

"(d) Section 520 of such Act is further amended by adding at the end thereof a new paragraph (c) which shall read as follows:

"(c) Notwithstanding the provisions of title 5, United States Code, section 62 and title 5, United States Code, section 715a, a Foreign Service officer heretofore or hereafter retired under the provisions of section 631 or 632 or a Foreign Service staff officer or employee hereafter retired under the provisions of section 803 shall not, by reason of his retired status, be barred from employment in Federal Government service in any appointive position for which he is qualified. An annuitant so reemployed shall serve at the will of the appointing officer."

"Sec. 11. Section 528 of such Act is amended by striking out in the second sentence of such section the phrase 'subsection (d), section 7, of the Classification Act of 1923' and substituting in lieu thereof the phrase 'the Classification Act of 1949'."

"Sec. 12. Section 531 of such Act is amended to read as follows:

"Sec. 531. The Secretary may, under such regulations as he may prescribe, appoint staff officers and employees on the basis of qualifications and experience. The Secretary may make provisions for temporary, limited, and such other types of appointment as he may deem necessary. He is authorized to establish appropriate probationary periods during which newly appointed staff officers or employees, other than those appointed for temporary or limited services, shall be required to serve. The Secretary may terminate at any time, without regard to the provisions of section 637, or the provisions of any other law, the services of staff officers or employees appointed for temporary or limited service and staff officers or employees who have not completed probationary periods, except that if such separation is by reason of misconduct the provisions of section 637 shall be applicable."

"Sec. 13. Section 532 of such Act is amended to read as follows:

"Sec. 532. Under such regulations as he may prescribe, the Secretary may assign a staff officer or employee to any post or he may assign him to serve in any position in which he is eligible to serve under the terms of

this or any other Act. A staff officer or employee may be transferred from one post to another by order of the Secretary as the interests of the Service may require."

"SEC. 14. (a) Section 571 of such Act is amended by striking out paragraphs (a), (b), (c), and (d), and the heading to such section, and inserting in lieu thereof the following:

"ASSIGNMENTS TO ANY GOVERNMENT AGENCY OR INTERNATIONAL ORGANIZATION

"Sec. 571. (a) Any officer or employee of the Service may, in the discretion of the Secretary, be assigned or detailed for duty in any Government agency, or in any international organization, international commission, or international body, such an assignment or combination of assignments to be for a period of not more than four years, except that under special circumstances the Secretary may extend this four-year period for not more than four additional years."

"(b) If a Foreign Service officer shall be appointed by the President, by and with the advice and consent of the Senate, or by the President alone, to a position in any Government agency, any United States delegation or mission to any international organization, in any international commission, or in any international body, the period of his service in such capacity shall be construed as constituting an assignment within the meaning of paragraph (a) of this section and such person shall not, by virtue of the acceptance of such an assignment, lose his status as a Foreign Service officer. Service in such a position shall not, however, be subject to the limitations concerning the duration of an assignment contained in that paragraph."

"(c) If the basic minimum salary of the position to which an officer or employee of the Service is assigned pursuant to the terms of this section is higher than the salary such officer or employee is entitled to receive as an officer or employee of the Service, such officer or employee shall, during the period such difference in salary exists, receive the salary and allowances of the position in which he is serving in lieu of his salary and allowances as an officer or employee of the Service. Any salary paid under the provisions of this section shall be the salary on the basis of which computations and payments shall be made in accordance with the provisions of title VIII. No officer or employee of the Service who, subsequent to the date of enactment of the Foreign Service Act Amendments of 1960, is assigned to, or who, after June 30, 1961, occupies a position in the Department that is designated as a Foreign Service officer position, shall be entitled to receive a salary differential under the provisions of this paragraph."

"(b) Paragraph (e) of section 571 of such Act is amended by striking the phrase 'with heads of Government agencies' where it appears in the second sentence and by redesignating the paragraph as '(d)'."

"Sec. 15. Section 575 of such Act is amended by striking out all after the word 'accordance' and inserting in lieu thereof the phrase 'with the appropriate provisions of titles III and IX of Public Law 402, Eightieth Congress (62 Stat. 7 and 13; 22 U.S.C. 1451-1453, 1478 and 1479)'."

"Sec. 16. Title V of such Act is further amended by adding at the end thereof the following new section:

"FOREIGN LANGUAGE KNOWLEDGE PREREQUISITE TO ASSIGNMENT

"Sec. 578. The Secretary shall designate every Foreign Service officer position in a foreign country whose incumbent should have a useful knowledge of a language or dialect common to such country. After December 31, 1963, each position so designated shall be filled only by an incumbent having such knowledge: *Provided*, That the Secre-

tary or Deputy Under Secretary for Administration may make exceptions to this requirement for individuals or when special or emergency conditions exist. The Secretary shall establish foreign language standards for assignment abroad of officers and employees of the Service, and shall arrange for appropriate language training of such officers and employees at the Foreign Service Institute or elsewhere."

"Sec. 17. Section 625 of such Act and the heading of such section are amended to read as follows:

"WITHIN-CLASS SALARY INCREASES OF FOREIGN SERVICE OFFICERS AND RESERVE OFFICERS

"Sec. 625. Any Foreign Service officer or any Reserve officer, whose services meet the standards required for the efficient conduct of the work of the Service and who shall have been in a given class for a continuous period of nine months or more, shall, on the first day of each fiscal year, receive an increase in salary to the next higher rate for the class in which he is serving. Without regard to any other law, the Secretary is authorized to grant to any such officer additional increases in salary, within the salary range established for the class in which he is serving, based upon especially meritorious service."

"Sec. 18. Title VI of such Act is amended by inserting after section 625 the following new section and the heading thereto:

"RELATIONSHIP BETWEEN PROMOTIONS AND FUNCTIONAL AND GEOGRAPHIC AREA SPECIALIZATION

"Sec. 626. The achievement of the objectives of this Act requires increasing numbers of Foreign Service officers to acquire functional and geographic area specializations and to pursue such specializations for a substantial part of their careers. Such specialization shall not in any way inhibit or prejudice the orderly advancement through class 1 of any such officer in the Foreign Service."

"Sec. 19. The heading 'PART D—SEPARATION OF FOREIGN SERVICE OFFICERS FROM THE SERVICE' under title VI of such Act is amended to read as follows: 'PART D—SEPARATION OF OFFICERS AND EMPLOYEES FROM THE SERVICE'."

"Sec. 20. Section 631 of such Act and the heading to such section are amended to read as follows:

"FOREIGN SERVICE OFFICERS WHO ARE CAREER AMBASSADORS OR CAREER MINISTERS

"Sec. 631. Any Foreign Service officer who is a career ambassador or a career minister, other than one occupying a position as chief of mission or any other position to which he has been appointed by the President, by and with the advice and the consent of the Senate, shall upon reaching the age of sixty-five, be retired from the Service and receive retirement benefits in accordance with the provisions of section 821, but whenever the Secretary shall determine it to be in the public interest, he may extend such an officer's service for a period not to exceed five years."

"Sec. 21. Section 632 of such Act and the heading to such section are amended to read as follows:

"PARTICIPANTS IN THE FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM WHO ARE NOT CAREER AMBASSADORS OR CAREER MINISTERS

"Sec. 632. Any participant in the Foreign Service Retirement and Disability System, other than one occupying a position as chief of mission or any other position to which he has been appointed by the President, by and with the advice and consent of the Senate, who is not a career ambassador or a career minister shall, upon reaching the age of sixty, be retired from the Service and receive retirement benefits in accordance with the provisions of section 821, but whenever the Secretary shall determine it to be in the

Public Law 86-707
86th Congress, H. R. 7758
September 6, 1960

AN ACT

74 STAT. 792.

To improve the administration of overseas activities of the Government of the United States, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That titles I to V, inclusive, of this Act may be cited as the "Overseas Differentials and Allowances Act".

Overseas Dif-
ferentials
and Allowances
Act.

TITLE I—PURPOSE AND DEFINITIONS

PART A—PURPOSE

SEC. 101. The Congress hereby declares that it is the purpose of this Act to improve and strengthen the administration of overseas activities of the Government by—

(1) providing a means for more effectively compensating Government employees for the extra costs and hardships incident to their assignments overseas,

(2) providing for the uniform treatment of Government employees stationed overseas to the extent justified by relative conditions of employment,

(3) establishing the basis for the more efficient and equitable administration of the laws compensating Government employees for the extra costs and hardships incident to their assignments overseas, and

(4) facilitating for the Government the recruitment and retention of the best qualified personnel for civilian service overseas.

PART B—DEFINITIONS

SEC. 111. As used in this title, title II, and section 522 of title V, the term—

(1) "Government" means the Government of the United States of America;

(2) "Government agency" means (A) each executive department of the Government, (B) each independent establishment or agency in the executive branch of the Government, including each corporation wholly owned (either directly or through one or more corporations) by the Government, (C) the General Accounting Office, and (D) the Library of Congress;

(3) "Employee" means an individual employed in the civilian service of a Government agency and more specifically defined in regulations prescribed by the President, but including ambassadors, ministers, and officers of the Foreign Service of the United States under the Department of State;

(4) "United States", when used in a geographical sense, means the several States of the United States of America and the District of Columbia;

(5) "Continental United States" means the several States of the United States of America, excluding Alaska and Hawaii but including the District of Columbia; and

(6) "Foreign area" means any area (including the Trust Territory of the Pacific Islands) situated outside the United States, the Commonwealth of Puerto Rico, the Canal Zone, and the possessions of the United States.

TITLE II—ALLOWANCES AND DIFFERENTIALS IN FOREIGN AREAS

PART A—GENERAL PROVISIONS

SEC. 201. Notwithstanding section 1765 of the Revised Statutes (5 U.S.C. 70), the allowances and differentials provided by this title are authorized for and may be granted only to an employee officially stationed in a foreign area unless otherwise provided in this title—

(1) who is a citizen of the United States, and

(2) whose rate of basic compensation is fixed by statute or, without taking into consideration the allowance and differentials provided by this title, is fixed by administrative action pursuant to law or is fixed administratively in conformity with rates paid by the Government for work of a comparable level of difficulty and responsibility in the continental United States, except that such allowances and differentials may be paid to an employee officially stationed in a foreign area who is not a citizen of the United States to the extent that the payment of such allowances and differentials to such noncitizen employee is authorized by any provision of law other than this title.

SEC. 202. Allowances granted under this title may be paid in advance, or advance of funds may be made therefor, through the proper disbursing officer in such sums as may be deemed advisable in consideration of the need and the period of time during which expenditures must be made in advance by the employee or employees. Any advance of funds not subsequently covered by allowances accrued to the employee or employees under this title shall be recoverable by the Government by setoff against accrued salary, pay, compensation, amount of retirement credit, or other amount due from the Government to such employee or employees and by such other method as may be provided by law for the recovery of amounts owing to the Government.

The head of the Government agency concerned may, in accordance with regulations of the President, waive in whole or in part any right of recovery under this section, if it is shown that such recovery would be against equity and good conscience or against the public interest.

SEC. 203. The allowances and differentials authorized by this title shall be paid in accordance with regulations prescribed by the President establishing rules governing payments thereof and the respective rates at which such payments shall be made, the foreign areas, the groups of positions, and the categories of employees to which such rates shall apply, and other related matters.

PART B—QUARTERS ALLOWANCES

SEC. 211. Whenever Government-owned or Government-rented quarters are not provided without charge for an employee in a foreign area, one or more of the following quarters allowances may be granted to such employee where applicable:

(1) A temporary lodging allowance for the reasonable cost of temporary quarters incurred by the employee and his family (A) for a period not in excess of three months after first arrival at a new post of assignment in a foreign area or a period ending with the occupation of residence quarters, whichever shall be shorter, and (B) for a period of not more than one month immediately preceding final departure from the post subsequent to the necessary evacuation of residence quarters;

(2) A living quarters allowance for rent, heat, light, fuel, gas, electricity, and water, without regard to the limitations of section 3648 of the Revised Statutes, as amended (31 U.S.C. 529); and

(3) Under unusual circumstances payment or reimbursement for extraordinary, necessary, and reasonable expenses, not otherwise compensated for, incurred in initial repairs, alterations, and improvements to an employee's privately leased residence at a post of assignment in a foreign area, if such expenses are administratively approved in advance and if the duration and terms of the lease justify payment of such expenses by the Government.

PART C—COST-OF-LIVING ALLOWANCES

SEC. 221. The following cost-of-living allowances may be granted, where applicable, to an employee in a foreign area:

(1) A post allowance to offset the difference between the cost of living at the post of assignment of the employee in a foreign area and the cost of living in Washington, District of Columbia;

(2) A transfer allowance for extraordinary, necessary, and reasonable expenses, not otherwise compensated for, incurred by an employee incident to establishing himself at any post of assignment in a foreign area or at a post of assignment in the United States between assignments to posts in foreign areas;

(3) A separate maintenance allowance to assist an employee who is compelled, by reason of dangerous, notably unhealthful, or excessively adverse living conditions at his post of assignment in a foreign area or for the convenience of the Government, to meet the additional expense of maintaining, elsewhere than at such post, his wife or his dependents, or both;

(4) An education allowance or payment of travel costs to assist an employee with the extraordinary and necessary expenses, not otherwise compensated for, incurred by reason of his service in any foreign area or foreign areas in providing adequate education for his dependents, as follows:

(A) An allowance not to exceed the cost of obtaining such elementary and secondary educational services as are ordinarily provided without charge by the public schools in the United States, plus, in those cases where adequate schools are not available at the employee's post, board and room, and periodic transportation between such post and the nearest locality, where adequate schools are available, without regard to the limitations of section 3648 of the Revised Statutes, as amended (31 U.S.C. 529); but the amount of the allowance granted shall be determined on the basis of the educational facility used;

(B) The travel expenses of dependents of an employee to and from a school in the United States to obtain an American secondary or undergraduate college education, not to exceed one trip each way for each dependent for the purpose of obtaining each type of education; but no allowance payments under subparagraph (A) of this paragraph (4) shall be made for any dependent during the twelve months following his arrival in the United States for secondary education pursuant to authority contained in this subparagraph (B). Notwithstanding section 111(6) of this Act, travel expenses, for the purpose of obtaining undergraduate college education, may be authorized under this subparagraph (B), under such regulations as the President may prescribe, for dependents of employees who are citizens of the United States stationed in the Canal Zone.

PART D—POST DIFFERENTIAL

SEC. 231. A post differential may be granted on the basis of conditions of environment which differ substantially from conditions of environment in the continental United States and warrant additional compensation as a recruitment and retention incentive. Such differential also may be granted to any employee who is officially stationed in the United States and who is on extended detail in a foreign area. Additional compensation paid as a post differential shall not in any instance exceed 25 per centum of the rate of basic compensation.

TITLE III—MISCELLANEOUS EXPENSES

PART A—STORAGE

60 Stat. 1026. SEC. 301. (a) Paragraphs (4) and (5) of section 911 of the Foreign Service Act of 1946 (22 U.S.C. 1136 (4) and (5)) are amended to read as follows:

“(4) the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Service, when he is absent from his post of assignment under orders, or when he is assigned to a post to which he cannot take or at which he is unable to use such furniture and household and personal effects, or when it is in the public interest or more economical to authorize storage; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law;

“(5) the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Service in connection with assignment or transfer to a new post, from the date of his departure from his last post or from the date of his departure from his place of residence in the case of a new officer or employee and for not to exceed three months after arrival at the new post, or until the establishment of residence quarters, whichever shall be shorter; and, in connection with separation of an officer or employee of the Service, the cost of packing and unpacking, transporting to and from a place of storage, and storing for a period not to exceed three months, his furniture and household and personal effects; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law.”

(b) Paragraphs (1) (D) and (E) of section 4 of the Central Intelligence Agency Act of 1949 (63 Stat. 209, 72 Stat. 337; 50 U.S.C. 403e(a)(1) (D) and (E)) are amended to read as follows:

“(D) pay the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Agency, when he is absent from his post of assignment under orders, or when he is assigned to a post to which he cannot take or at which he is unable to use such furniture and household and personal effects, or when it is in the public interest or more economical to authorize storage; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law;

"(E) pay the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Agency in connection with assignment or transfer to a new post, from the date of his departure from his last post or from the date of his departure from his place of residence in the case of a new officer or employee and for not to exceed three months after arrival at the new post, or until the establishment of residence quarters, whichever shall be shorter; and in connection with separation of an officer or employee of the Agency, the cost of packing and unpacking, transporting to and from a place of storage, and storing for a period not to exceed three months, his furniture and household and personal effects; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law."

(c) The first section of the Administrative Expenses Act of 1946 (60 Stat. 806), as amended (5 U.S.C. 73b-1), is amended—

(1) by striking out "(not to exceed seven thousand pounds if uncrated or eight thousand seven hundred and fifty pounds if crated or the equivalent thereof when transportation charges are based on cubic measurement)" in subsection (a) of such section and inserting in lieu thereof "(not to exceed seven thousand pounds net weight)"; and

(2) by adding at the end of such section the following new subsection:

"(e) Whenever any civilian officer or employee (including any new appointee in accordance with section 7 of this Act) is assigned to a permanent duty station outside the continental United States to which he cannot take or at which he is unable to use his household goods and personal effects or whenever the head of the department concerned authorizes storage of any such property in the public interest or for reasons of economy, storage expenses (including related transportation and other expenses) may be allowed such officer or employee in accordance with regulations prescribed by the President; but in no instance shall the weight of the property stored under this subsection, together with the weight of property transported under subsection (a), exceed the maximum weight limitation provided by subsection (a)."

5 USC 73b-3.

(d) The term "furniture and household and personal effects", as used in the amendments made by this part to the Foreign Service Act of 1946, as amended, and the Central Intelligence Agency Act of 1949, as amended, and the term "household goods and personal effects", as used in the amendments made by this part to the Administrative Expenses Act of 1946, as amended, mean such personal property of an employee and the dependents of such employee as the Secretary of State and the Director of Central Intelligence, as the case may be, with respect to the term "furniture and household and personal effects", and the President, with respect to the term "household goods and personal effects", shall by regulation authorize to be transported or stored under the amendments made by this part to such Acts (including, in emergencies, motor vehicles authorized to be shipped at Government expense). Such motor vehicle shall be excluded from the weight and volume limitations prescribed by the laws set forth in this part.

60 Stat. 999.
22 USC 801
note.
63 Stat. 208.
50 USC 403a
note.

PART B—OFFICIAL RESIDENCE EXPENSES

5 USC 73b-1
note.

SEC. 311. (a) The Administrative Expenses Act of 1946 (60 Stat. 806), as amended, is amended by adding at the end thereof the following new section:

74 STAT. 796.
74 STAT. 797.

"SEC. 22. Under such regulations as the President may prescribe, funds available to the departments for administrative expenses may be allotted to posts in foreign countries for the purpose of defraying the unusual expenses incident to the operation and maintenance of official residences suitable for the chief representatives of the United States at such posts and such other senior officials of this Government in foreign countries as the President may designate."

63 Stat. 736.

(b) Section 8 of the United Nations Participation Act of 1945, as amended (22 U.S.C. 287e), is amended by striking out "and the allotment of funds, similar to the allotment authorized by section 902 of the Foreign Service Act of 1946, for unusual expenses incident to the operation and maintenance of such living quarters, to be accounted for in accordance with section 903 of said Act;" and inserting in lieu thereof "and unusual expenses similar to those authorized by section 22 of the Administrative Expenses Act of 1946, as amended by section 311 of the Overseas Differentials and Allowances Act, incident to the operation and maintenance of such living quarters;"

PART C—TRANSPORTATION OF MOTOR VEHICLES

SEC. 321. The first section of the Administrative Expenses Act of 1946 (60 Stat. 806), as amended (5 U.S.C. 73b-1), is amended by adding thereto, immediately following the new subsection (e) added to such first section by section 301(c) of this Act, the following new subsection:

5 USC 73b-3.

"(f) Under such regulations as the President may prescribe, the privately owned motor vehicle of any employee (including any new appointee, in accordance with section 7 of this Act) assigned to a post of duty outside the continental United States on other than temporary duty orders may be transported to, from, and between the continental United States and such post of duty, or between posts of duty outside the continental United States, whenever it is determined by the head of the department concerned to be in the interest of the Government for such employee to have the use of a motor vehicle at his post of duty. Not more than one motor vehicle of any employee may be transported under authority of this subsection during any four-year period, except that, as a replacement for such motor vehicle, one additional motor vehicle of any employee may be so transported during such period upon approval, in advance, by the head of the department concerned and upon a determination, in advance, by such department head that such replacement is necessary for reasons beyond the control of the employee and is in the interest of the Government. After the expiration of a period of four years following the date of transportation under authority of this subsection of a privately owned motor vehicle of any employee who has remained in continuous service outside the continental United States during such period, the transportation of a replacement for such motor vehicle for such employee may be authorized, in accordance with this subsection, by the head of the department concerned. The head of each department may, in accordance with this subsection, authorize the transportation of privately owned motor vehicles of employees of such department, assigned to duty outside the continental United States, by commercial means if available at reasonable rates and under reasonable conditions or by Government means on a space-available basis. This subsection shall not apply to the Foreign Service of the United States under the

Department of State and to the Central Intelligence Agency but shall not affect the authority contained in section 913 of the Foreign Service Act of 1946 (60 Stat. 1027; 22 U.S.C. 1138) or paragraph (4) of section 4 of the Central Intelligence Agency Act of 1949 (63 Stat. 210, 72 Stat. 337; 50 U.S.C. 403e(a)(4)).”

74 STAT. 797.

SEC. 322. Section 913 of the Foreign Service Act of 1946 (60 Stat. 1027; 22 U.S.C. 1138) is amended to read as follows: 74 STAT. 798.

“TRANSPORTATION OF MOTOR VEHICLES

“SEC. 913. The Secretary may, notwithstanding the provisions of any other law, transport for or on behalf of an officer or employee of the Service, a privately owned motor vehicle in any case in which he shall determine that water, rail, or air transportation of the motor vehicle is necessary or expedient for all or any part of the distance between points of origin and destination. Not more than one motor vehicle of any such officer or employee may be transported under authority of this section during any four-year period, except that, as a replacement for such motor vehicle, one additional motor vehicle of any such officer or employee may be so transported during such period upon approval, in advance, by the Secretary and upon a determination, in advance, by the Secretary that such replacement is necessary for reasons beyond the control of the officer or employee and is in the interest of the Government. After the expiration of a period of four years following the date of transportation under authority of this section of a privately owned motor vehicle of any officer or employee who has remained in continuous service outside the continental United States (excluding Alaska and Hawaii) during such period, the transportation of a replacement for such motor vehicle for such officer or employee may be authorized by the Secretary in accordance with this section.”

SEC. 323. (a) That part of section 4(a) of the Central Intelligence Agency Act of 1949, as amended (63 Stat. 209, 73 Stat. 337; 50 U.S.C. 403e), which precedes paragraph (1) thereof, is amended—

(1) by striking out “(a)”;

(2) by striking out “permanent-duty stations outside the continental United States, its territories, and possessions,” and inserting in lieu thereof “duty stations outside the several States of the United States of America, excluding Alaska and Hawaii, but including the District of Columbia,”.

(b) Paragraph (4) of section 4 of the Central Intelligence Agency Act of 1949, as amended (63 Stat. 210, 73 Stat. 337; 50 U.S.C. 403e(a)(4)), is amended to read as follows:

“(4) Notwithstanding the provisions of any other law, transport for or on behalf of an officer or employee of the Agency, a privately owned motor vehicle in any case in which it shall be determined that water, rail, or air transportation of the motor vehicle is necessary or expedient for all or any part of the distance between points of origin and destination, and pay the costs of such transportation. Not more than one motor vehicle of any officer or employee of the Agency may be transported under authority of this paragraph during any four-year period, except that, as a replacement for such motor vehicle, one additional motor vehicle of any such officer or employee may be so transported during such period upon approval, in advance, by the Director and upon a determination, in advance, by the Director that such replacement is necessary for reasons beyond the control of the officer or employee and is in the interest of the Government. After the expiration of a period of four years following

74 STAT. 798.
74 STAT. 799.

the date of transportation under authority of this paragraph of a privately owned motor vehicle of any officer or employee who has remained in continuous service outside the several States of the United States of America, excluding Alaska and Hawaii, but including the District of Columbia, during such period, the transportation of a replacement for such motor vehicle for such officer or employee may be authorized by the Director in accordance with this paragraph."

TITLE IV—AMENDMENTS TO ANNUAL AND SICK LEAVE ACT OF 1951

65 Stat. 679.
Annual leave.
Maximum accu-
mulation.

SEC. 401. Subsections (d), (e), and (f) of section 203 of the Annual and Sick Leave Act of 1951, as amended (5 U.S.C. 2062 (d), (e), and (f)), are amended to read as follows:

"(d) Notwithstanding the provisions of subsection (c), a maximum accumulation not to exceed forty-five days at the beginning of the first complete biweekly pay period, or corresponding pay period in the case of an officer or employee who is not paid on the basis of biweekly pay periods, in any year is authorized for the following categories of employees of the Federal Government stationed outside the United States:

"(1) Persons directly recruited or transferred by the Federal Government (A) from the United States, or (B) from the Commonwealth of Puerto Rico or the possessions of the United States for employment outside the area of recruitment or from which transferred.

"(2) Persons employed locally but (A)(i) who were originally recruited from the United States, or from the Commonwealth of Puerto Rico or the possessions of the United States but outside the area of employment, (ii) who have been in substantially continuous employment by other Federal agencies, United States firms, interests or organizations, international organizations in which the United States Government participates, or foreign governments, and (iii) whose conditions of employment provide for their return transportation to the United States or the Commonwealth of Puerto Rico or the possessions of the United States, or (B)(i) who were at the time of employment temporarily absent, for the purpose of travel or formal study, from the United States, or from their respective places of residence in the Commonwealth of Puerto Rico or the possessions of the United States and (ii) who, during such temporary absence, have maintained residence in the United States or in the Commonwealth of Puerto Rico or the possessions of the United States but outside the area of employment.

"(3) Persons who are not normally residents of the area concerned and who are discharged from service in the Armed Forces of the United States to accept employment with an agency of the Federal Government.

"(e) The leave granted pursuant to this title shall be exclusive of the time actually and necessarily occupied in going to and from the post of duty and exclusive of such time as may be necessarily occupied in awaiting transportation, in the case of an officer or employee (1) who is within the purview of subsection (d) of this section, (2) whose post of duty is outside the United States, and (3) who returns on leave to the United States, or to his place of residence, which is outside the area of employment, in the Commonwealth of Puerto Rico or the possessions of the United States. The provisions of this subsection shall not apply to more than one period of leave in a prescribed tour of duty at a post outside the United States.

“(f) Upon completion of twenty-four months of continuous service outside the United States, officers and employees may be granted, in accordance with regulations of the President, leave of absence at a rate not to exceed one week for each four months of such service without regard to any other leave provided by this title, for use in the United States, or, if their respective places of residence are outside the area of employment, in the Commonwealth of Puerto Rico or the possessions of the United States. Such leave so granted may be accumulated for future use without regard to the limitation in subsection (d) of this section but no such leave shall be made the basis for any terminal leave or for any lump-sum payment.”

74 STAT. 799.

74 STAT. 800.

SEC. 402. (a) Section 202(b)(2) of the Annual and Sick Leave Act of 1951, as amended (5 U.S.C. 2061(b)(2)), is amended to read as follows:

“(2) This title, except section 203(g), shall not apply to alien employees who occupy positions outside the United States.” Exceptions.

(b) Section 203(g) of such Act, as amended (5 U.S.C. 2062(g)), is amended by striking out “the several States and the District of Columbia” and inserting in lieu thereof “the United States”.

(c) Section 202 of such Act, as amended (5 U.S.C. 2061), is amended by adding at the end of such section the following new subsection:

“(d) As used in this title, the term ‘United States’ means the several States of the United States of America and the District of Columbia.” “United States”.

SEC. 403. The amendments made by this title to the Annual and Sick Leave Act of 1951, as amended, shall take effect on the first day of the first pay period following the date of enactment of this Act. Effective date.

TITLE V—APPROPRIATION, REPEAL, AMENDATORY, AND MISCELLANEOUS PROVISIONS

PART A—APPROPRIATION PROVISIONS

SEC. 501. (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act and the amendments made by this Act.

(b) Appropriations or funds otherwise available, for the fiscal year ending June 30, 1960, to any department, agency, establishment or corporation of the Government of the United States of America within the purview of this Act or of any amendment made by this Act are hereby made available for the purposes of this Act and of any such amendment in accordance with the authority contained in this Act or contained in any law amended by this Act and in accordance with such regulations as the President may prescribe.

PART B—REPEAL AND AMENDATORY PROVISIONS

SEC. 511. (a) The following provisions of law are hereby repealed:

(1) Sections 443, 902, 903, and 911(9) of the Foreign Service Act of 1946, as amended (60 Stat. 1006, 1025, and 1026; 69 Stat. 27; 22 U.S.C. 888, 1132, 1133, and 1136(9));

(2) Sections 2(b), 13, and 14 of the Act entitled “An Act to provide certain basic authority for the Department of State”, approved August 1, 1956 (70 Stat. 890, 892; Public Law 885, Eighty-fourth Congress; 5 U.S.C. 170g(b), 170r, and 170s); and

(3) Sections 1(d) and 4(b) of the Central Intelligence Agency Act of 1949, as amended (63 Stat. 208 and 211; 50 U.S.C. 403a(d) and 403e(b)).

(b) Any provision of law which is not repealed by subsection (a) of this section but is inconsistent with any provision of this Act or of any amendment made by this Act shall be held and considered to be amended, modified, or superseded to the extent necessary to carry out the purposes of and conform to such provision of this Act or of such amendment.

74 STAT. 800.

74 STAT. 801.

(c)(1) Section 1(c) of the Central Intelligence Agency Act of 1949 (63 Stat. 208; 50 U.S.C. 403a(c)) is amended by striking out "Government; and" and inserting in lieu thereof "Government."

(2) Paragraph (1)(A) of section 4 of the Central Intelligence Agency Act of 1949, as amended (63 Stat. 209; 72 Stat. 337; 50 U.S.C. 403e(a)(1)(A)), is amended to read as follows:

"(1)(A) pay the travel expenses of officers and employees of the Agency, including expenses incurred while traveling pursuant to authorized home leave;"

(3) Paragraph (3)(A) of section 4 of such Act (63 Stat. 209 and 210; 72 Stat. 337; 50 U.S.C. 403e(a)(3)(A)) is amended to read as follows:

"(3)(A) Order to any of the several States of the United States of America (including the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States) on leave of absence each officer or employee of the Agency who was a resident of the United States (as described above) at time of employment, upon completion of two years' continuous service abroad, or as soon as possible thereafter."

(4) Paragraph (3)(B) of section 4 of such Act (63 Stat. 210; 72 Stat. 337; 50 U.S.C. 403e(a)(3)(B)) is amended to read as follows:

"(B) While in the United States (as described in paragraph (3)(A) of this section) on leave, the service of any officer or employee shall be available for work or duties in the Agency or elsewhere as the Director may prescribe; and the time of such work or duty shall not be counted as leave."

(5) Paragraph (3)(C) of section 4 of such Act (63 Stat. 210; 72 Stat. 337; 50 U.S.C. 403e(a)(3)(C)) is amended to read as follows:

"(C) Where an officer or employee on leave returns to the United States (as described in paragraph (3)(A) of this section), leave of absence granted shall be exclusive of the time actually and necessarily occupied in going to and from the United States (as so described) and such time as may be necessarily occupied in awaiting transportation."

(6) The Act entitled "An Act to provide living quarters, including heat, fuel, and light, for civilian officers and employees of the Government stationed in foreign countries", approved June 26, 1930 (46 Stat. 818; Public Law 445, Seventy-first Congress; 5 U.S.C. 118a), is amended—

(A) by striking out "and, where such quarters are not available, may be granted an allowance for living quarters, including heat, fuel, and light, notwithstanding the provisions of section 1765 of the Revised Statutes (U.S.C., title 5, sec. 70)"; and

(B) by striking out that part of the first proviso of such Act of June 26, 1930, which reads "or allowances in lieu thereof".

(7) Section 901 of the Foreign Service Act of 1946, as amended (22 60 Stat. 1025. U.S.C. 1131), is amended to read as follows:

"REPRESENTATION ALLOWANCES

"SEC. 901. In accordance with such regulations as the President may prescribe and notwithstanding the provisions of section 1765 of the Revised Statutes (5 U.S.C. 70), the Secretary is authorized to

grant to any officer or employee of the Service who is a citizen of the United States allowances in order to provide for the proper representation of the United States by officers or employees of the Service."

74 STAT. 801.

74 STAT. 802.

PART C—MISCELLANEOUS PROVISIONS

SEC. 521. Whenever reference is made in any other law or in any regulation to any provision of law which is repealed, modified, amended, or superseded by reason of section 511 of this Act, such reference, unless inconsistent with this Act, shall be held and considered to refer to this Act or the appropriate provision of, or amendment made by, this Act.

SEC. 522. Notwithstanding any provision of this Act and until such time as regulations are issued under this Act, employees shall continue to be paid allowances and differentials in accordance with rules and regulations issued pursuant to the laws in effect immediately prior to the enactment of this Act and such rules and regulations may be amended or revoked in accordance with the provisions of such laws.

SEC. 523. (a) Section 912 of the Internal Revenue Code of 1954 (relating to exemption for certain allowances) is amended to read as follows:

26 USC 912.

"SEC. 912. EXEMPTIONS FOR CERTAIN ALLOWANCES.

"The following items shall not be included in gross income, and shall be exempt from taxation under this subtitle:

"(1) FOREIGN AREAS ALLOWANCES.—In the case of civilian officers and employees of the Government of the United States, amounts received as allowances or otherwise (but not amounts received as post differentials) under—

"(A) title IX of the Foreign Service Act of 1946, as amended (22 U.S.C., sec. 1131 and following),

"(B) section 4 of the Central Intelligence Agency Act of 1949, as amended (50 U.S.C., sec. 403e),

"(C) title II of the Overseas Differentials and Allowances Act, or

"(D) subsection (e) or (f) of the first section of the Administrative Expenses Act of 1946, as amended, or section 22 of such Act.

"(2) COST-OF-LIVING ALLOWANCES.—In the case of civilian officers or employees of the Government of the United States stationed outside the continental United States (other than Alaska), amounts (other than amounts received under title II of the Overseas Differentials and Allowances Act) received as cost-of-living allowances in accordance with regulations approved by the President."

(b) Paragraphs (1) and (2) of section 912 of the Internal Revenue Code of 1954, as amended by subsection (a) of this section, shall apply only with respect to amounts received on or after the date of the enactment of this Act in taxable years ending on or after such date. Applicability.

Approved September 6, 1960.

